

# Agenda

---

City Council

## Regular Session

MONDAY  
July 19, 2004

8:00 – 10:00 p.m.  
Council Chambers

Page

1. Call to Order
2. Roll Call, Flag Salute
3. Communications: Written and Oral

*Note: Three-minute limit per person, or five minutes if representing the official position of a recognized organization. A maximum of three persons is permitted to speak to each side of any one topic. Additional presentations may be heard at Agenda Item 13, including three additional persons speaking to topics heard at Agenda Item 3.*

4. Reports of Community Council, Boards and Commissions
5. Report of the City Manager

- (a) Management Brief regarding coordination of projects in the Sunset Community neighborhood (*Response to Oral Communications of July 6<sup>th</sup>*)

TRAN  
Goran  
Sparrman/  
David Berg

5-1

6. Council Business
7. Approval of the Agenda

**City Council meetings are wheelchair accessible. American Sign language (ASL) interpretation is available upon request. Please phone 452-6805 at least 48 hours in advance.**



**City of Bellevue**

8. Consent Calendar

- (a) Minutes of June 21, 2004 Study Session  
Minutes of June 21, 2004 Regular Session  
Minutes of June 24, 2004 Special Meeting  
Minutes of June 28, 2004 Extended Study Session  
Minutes of July 1, 2004 Special Meeting  
Minutes of July 6, 2004 Study Session  
Minutes of July 6, 2004 Regular Session  
Minutes of July 12, 2004 Extended Study Session
- (b) Motion to approve payment of claims for the period  
June 26 through July 16, 2004 and payroll for the  
period June 16 through June 30, 2004. FIN 8-1
- (c) Resolution No. 7042 authorizing execution of an  
agreement with Berkley Risk Administrators  
Company, LLC to provide workers' compensation  
claims administration services. FIN 8-3
- (d) Resolution No. 7043 authorizing execution of an  
agreement with Evergreen Adjustment Service, Inc. to  
provide liability claims adjustment services. FIN 8-7
- (e) Resolution No. 7044 authorizing execution of a  
contract for Fire Department Capital Improvement  
Program (CIP) project management services with  
Ronald Seng in an amount not to exceed \$60,000 for a  
two-year period, with an option to renew the contract  
for one two-year period for an additional \$60,000. FIRE 8-10
- (f) Motion to award Bid No. 0437 for the 168<sup>th</sup> Ave SE  
and SE 14<sup>th</sup> Street Traffic Calming Project to construct  
four raised crosswalks with sidewalk and curb ramps,  
one elongated speed hump, and one stationary radar  
sign to reduce vehicle speeds to Road Construction  
NW, Inc. as low bidder, in the amount of \$97,534.00.  
(CIP No. PW-M-7) TRAN 8-15
- (g) Resolution No. 7045 authorizing execution of a  
consultant agreement with HDR Engineering, Inc. to  
provide construction inspection services for the 148<sup>th</sup>  
Avenue SE roadway project. (CIP PW-R-117) TRAN 8-20

		<u>Page</u>
(h) Resolution No. 7046 authorizing execution of a settlement agreement and mutual release with Qwest to implement settlement of the City's claim for delay damages on the Richards Road improvement project. (CIP Plan No. PW-R-79)	TRAN	<u>8-26</u>
(i) Motion to reject all bids for Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project and rebid at a later date.	UTIL	<u>8-31</u>
(j) Maintenance/Non-Professional Services Contracts	UTIL	<u>8-35</u>
(1) Resolution No. 7047 authorizing execution of a maintenance agreement in an amount not to exceed \$94,000 with Oliver's Landscape Maintenance to provide vegetation maintenance and litter removal on the City's transportation trails.		<u>8-39</u>
(2) Resolution No. 7048 authorizing execution of a one-year maintenance agreement and three potential one-year renewals for a potential total contract amount not to exceed \$419,876.24 with Clearcreek Contractors for removal of accumulated sediments from two regional detention ponds located in Coal Creek.		<u>8-40</u>
(3) Resolution No. 7049 authorizing execution of a one-year maintenance agreement, with an option for three one-year renewals, for a total contract amount not to exceed \$117,165.04 with Total Landscape for removal of vegetation in the constricted channels between Phantom and Larsen Lakes in the Lake Hills Greenbelt area.		<u>8-41</u>
(4) Resolution No. 7050 authorizing execution of a one-year maintenance agreement and three potential one-year renewals for a total potential contract amount not to exceed \$400,00 with Bravo Environmental for surface water pipeline condition assessment.		<u>8-42</u>

- |   |       |             |
|---|-------|-------------|
| (k) Resolution No. 7053 ratifying the signature of the City Manager on the proposed settlement deal points re: Newport Yacht Club and Weinstein v. City of Bellevue and King County, U.S. District Court Cause No. C03-25347. | LEGAL | <u>8-43</u> |
|---|-------|-------------|

9. Public Hearings

- |  |    |            |
|--|----|------------|
| (a) * Limited public hearing on the appeal of the Hearing Examiner's decision that the Conditional Use Permit application of Michael's Toyota to establish an automobile dealership within the existing Sunset Village Shopping Center located at 3080 – 148 <sup>th</sup> Avenue SE, be approved with conditions (File No. 04-100086-LB). | HE | <u>9-1</u> |
|--|----|------------|

*(This is a Process I land use application. Under Process I the Hearing Examiner (HE) is the final decision-maker for the City unless decision is appealed to City Council.)*

- |   |                       |
|---|-----------------------|
| (1) Limited public hearing rules and procedures | LEGAL<br>Lori Riordan |
|---|-----------------------|

- (2) Appellants' motion to supplement the record or remand to the Hearing Examiner to consider new information

*(Should Council approve the remand to take new information, the limited public hearing would be deferred.)*

- (3) Appellants' motion to continue the hearing until after September 15, 2004

*(Should Council approve the continuance, the limited public hearing would be deferred.)*

- (4) Appellants' motion to grant an additional 15 minutes for oral argument by the parties (for a total of 30 minutes per side)



*(The Mayor may grant or deny this motion if action on prior motions will result in the hearing occurring tonight.)*

(5) Staff Report

PCD  
Kate Berens

(6) Motion to open the limited public hearing

(7) Testimony from applicant/appellants

*Note: Presentation of oral arguments on the decision of the HE that the conditional use permit be approved with conditions is limited by Council Rules to 15 minutes for the applicant and 15 minutes for the appellants, unless the Mayor grants additional time. This testimony is limited to information included in the record before the HE.*

(8) Motion to close the limited public hearing

(9) Council discussion and decision

*(Council may:*

- *Deny the appeal and approve the application as recommended by the HE; or*
- *Grant the appeal in whole or in part, with or without modifications; or*
- *Remand the matter to the HE; or*
- *Postpone the decision and request further analysis by staff.*

*Following Council's decision, staff will prepare legislation as directed and return at a subsequent meeting for final action.)*

10. Land Use

11. Other Ordinances, Resolutions and Motions

(a) Regional affordable housing program

PCD

11-1

- (1) Resolution No. 7051 authorizing execution of an Interlocal agreement with King County regarding the establishment of a “Regional Affordable Housing Program” (RAHP) fund that distributes the local portion of SHB 20460 revenue in a manner that is consistent with local and Countywide housing needs and policies.
- (2) Resolution No. 7052 authorizing execution of an Interlocal agreement with King County regarding modifications to the HOME Investment Partnerships program, expand the representation by participating cities on the joint Recommendations Committee (JRC) from five to seven, and set a rotation schedule on the JRC for Bellevue, Auburn, and Kent.

12. Unfinished Business
13. Continued Oral Communications
14. New Business
15. Executive Session
16. Adjournment

\* Quasi-judicial matters are those in which the Councilmembers sit as “judges” to decide issues involving specifically-identified property or other rights between individuals or parties. This is as opposed to the Council’s usual role of acting in a legislative or policy-making capacity.



## **Management Brief**

**TO:** Mayor Connie Marshall and Bellevue City Councilmembers

**FROM:** Goran Sparrman, Director, Transportation Department  
David Berg, Assistant Director, Capital Projects

**DATE:** July 15, 2004

**SUBJECT:** Response to July 6<sup>th</sup> Oral Communications  
West Lake Hills Project Coordination

At the July 6, 2004 City Council Regular Session, a representative of the Sunset Community Association encouraged careful coordination of four projects in the West Lake Hills area. This Management Brief provides an overview of these projects and the ongoing coordination between these projects.

### **Project Overviews:**

#### **SE 16<sup>th</sup> Street Improvements – 145<sup>th</sup> Place SE to 148<sup>th</sup> Avenue SE**

This project will add bike lanes, sidewalks, and turn lanes along SE 16<sup>th</sup> Street. A westbound right turn lane from SE 16<sup>th</sup> Street to 145<sup>th</sup> Place SE will be added. Undergrounding of utility lines will also be performed.

#### **145<sup>th</sup> Place SE-SE 8<sup>th</sup> Street to SE 24<sup>th</sup> Street and SE 22<sup>nd</sup> Street Design Report and Early Implementation**

Through working with the community, this project will define the scope of the improvements to these streets, prioritize segments for phased implementation and complete design and construction of the initial phase.

#### **Kamber Road Roadway Improvements-137<sup>th</sup> Avenue SE to Richards Road including the East Creek Culvert Replacement**

This project will provide a sidewalk on the north side of Kamber Road, bicycle facilities, street lighting and rebuild the roadway surface. In addition, the culvert over East Creek will be replaced.

#### **Gateways and Neighborhood Identities**

This project will communicate Bellevue's civic and neighborhood identities to citizens and visitors through the use of gateway treatments. The locations and types of treatments will be developed through community input. Planning and Community Development is leading this effort.

In addition to these larger projects, there are also smaller projects that have required coordination to ensure the most efficient use of city resources. These smaller projects include a sidewalk on 143<sup>rd</sup> Avenue SE from SE 16<sup>th</sup> Street to Lake Hills Blvd and a sidewalk on SE 13<sup>th</sup> Place from 145<sup>th</sup> Place SE to 143<sup>rd</sup> Avenue SE (both part of the NIS

Sidewalk Maintenance project), a pedestrian trail on SE 22<sup>nd</sup> Street from 145<sup>th</sup> Place to 148<sup>th</sup> Avenue SE being led by Parks, and numerous street overlays as part of the 2003 and 2004 annual overlay contracts.

### **Coordination Efforts:**

The project managers assigned to each of these projects have been coordinating on all aspects of these projects. Issues such as project scope adjustments to ensure project compatibilities, right-of-way purchases for future project actions, combining stormwater detention requirements from multiple projects into one, and construction sequencing have all been discussed and agreed to as part of these coordination efforts. By taking a holistic view of the improvements in this area, and then piecing them together to ensure a logical construction sequence, the city ensures the most efficient use of our citizens' tax dollars.

Nowhere is this coordination more important than at the intersection of SE 16<sup>th</sup> Street and 145<sup>th</sup> Place SE. Three of the above projects all affect this intersection and the coordination to ensure the improvements are designed and constructed in the most efficient manner have been ongoing for over two years. This is especially important at this intersection since right-of-way will need to be acquired for additional turn lanes and the reconstruction of the traffic signal.

In addition to coordinating the planning, design and construction of any improvements, we also strive to ensure our citizens understand the various projects in an area and how they all fit together. To achieve this, we have held joint public events/open houses and attended community association meetings to discuss these projects with interested citizens. We also send out project specific updates when needed and all of these and other projects are online on the City's web site and detailed annually in the "It's Your City" South Bellevue Projects Update. Our goal is to make sure interested citizens stay informed of a project's progress.

The design and construction of the numerous projects in the West Lake Hills area have been thoroughly planned out. The coordination needed to make this all come together is ongoing. As part of this coordination, we will arrange a meeting with the Sunset Community Association to ensure they are up to date on all these projects.

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

June 21, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson<sup>1</sup>, Degginger<sup>2</sup>, and Lee

ABSENT: None

1. Executive Session

Mayor Marshall opened the meeting at 6:01 p.m. and announced recess to Executive Session for approximately 45 minutes to discuss one item of property disposition, one item of potential litigation, and one item of pending litigation.

The meeting resumed at 7:25 p.m. with Mayor Marshall presiding. She noted the Executive Session went longer than anticipated and thanked the audience for their patience. [An additional item of pending litigation was discussed during the Executive Session.]

2. Study Session

(a) 2005-2011 Operating Budget – Early Outlook Financial Forecast

Finance Director Jan Hawn opened discussion of the financial forecast for the General Fund, Utility Funds, Development Services Fund, and Parks Enterprise Fund.

Jonathan Swift, Budget Manager, distributed additional pages regarding the Early Outlook and Memory Bank Items for Council's budget notebooks and provided the financial forecast. He explained that the early outlook forecast projects the current mix of revenues and expenditures into the future to provide a financial framework for Council's budget review and direction. Upcoming budget discussions are as follows:

- June 28 – Utilities and Capital Investment Program presentations
- July 6 – Revenues

---

<sup>1</sup> Dr. Davidson departed at 7:20 p.m. following the Executive Session.

<sup>2</sup> Mr. Degginger arrived at 6:25 p.m.

- July 12 – Second Budget Workshop
- Weeks of September 27 and October 25 – Full financial forecast will be provided.

Mr. Swift said the region continues to experience slow economic recovery. Bellevue's short-term and long-term economic prospects are favorable as retail sales, office vacancy rates, and new development continue to improve. However, some resources have been adjusted downward (e.g., decrease in telephone utility tax collections).

Three areas account for 43 percent of the growth in expenditures in 2005 – health benefit costs, state pension rate increases, and workers compensation costs. Combined these represent approximately \$2.3 million in growth compared to 2004. The City has been actively engaged in implementing cost control measures for health benefit costs. Despite the increase in workers compensation costs, Bellevue's costs in this area are 40 to 50 percent lower than comparable jurisdictions. State pension rates in 2005 are increasing by approximately 62 percent compared to 2004.

Mr. Swift said expenditures are expected to be \$1.5 million higher than revenues for the forecast period, primarily due to increased expenditures projected for 2005. He reviewed the following watch areas within the General Fund: health benefits costs, ongoing impact of new development, decreasing telephone utility tax collections, labor negotiations, impacts of initiatives, and municipal court costs.

Turning to utility funds, the base forecast reflects increased wastewater utility wholesale costs, cost savings through Cascade Water Alliance, and additional issues to be discussed with Council on June 28. For the Parks Enterprise Fund, staff expects to reduce the General Fund subsidy to \$100,000 per year. Increased development activity is anticipated in the early years of the forecast, and development services reserves are functioning as planned.

Mr. Swift said the next steps for staff are to refine resource and expenditure estimates, analyze service levels and identify efficiencies, and return to Council with a balanced budget.

Responding to Deputy Mayor Noble, Mr. Swift said approval of Initiative 864 could result in a budget impact of \$6.5 million.

#### (b) New Solid Waste Contract Implementation

City Manager Steve Sarkozy opened discussion regarding implementation of the City's new solid waste contract.

Damon Diessner, Utilities Assistant Director, said the new contract provides many new services for residents including weekly yard waste pickup and food waste recycling while saving the average ratepayer approximately \$1.47 per month. The City will save \$23.5 million over the life of the contract.

Nels Johnson, Rabanco, commended City staff and Rabanco employees for their hard work to negotiate the new contract. He thanked Wes Smith, General Manager with Rabanco, for overall

coordination of contact implementation. Mr. Johnson said Rabanco looks forward to providing enhanced services for residents.

Responding to Deputy Mayor Noble, Mr. Johnson said Rabanco has distributed outreach materials to customers to introduce and explain the new services. Information is provided on a web site as well.

In further response to Mr. Noble, Mr. Johnson said Rabanco's current litigation with King County could result in impacts for Bellevue including increased truck traffic and long lines at the Factoria transfer station and staff overtime. If Rabanco is successful in the litigation, it will utilize its own landfill for disposal at a substantially reduced rate compared to King County's rates. Bellevue ratepayers would benefit from this potential cost savings.

Mayor Marshall thanked Rabanco staff for their efforts to improve services and reduce costs.

(c) Deferred Compensation Plan – Recommendation on Plan Administrator

Deputy City Manager Ed Oberg, Chair of the 457 Plan Committee, explained that the City's 457 deferred compensation plan currently has two vendors – ICMA-RC and Nationwide. Staff recently conducted a request for proposal (RFP) process and interviewed candidate firms. Mr. Oberg said staff recommends hiring Great West as 457 Plan Administrator. If Council approves, staff will proceed with contract negotiations and return with an amendment of the 457 Plan reflecting the change in vendor.

Mayor Marshall thanked staff for their efforts to reduce administrative costs and participant fees. She noted Council consensus to proceed with contract negotiations.

(d) Limited Tax General Obligation Bonds for New City Building

Ms. Hawn noted Council's Special Meeting scheduled for June 24 to approve the sale of Limited Tax General Obligation (LTGO) bonds for the New City Building. She said the City's Aaa bond rating has been reaffirmed.

3. Discussion

- (a) Application of Franklin West LLC for a rezone amending the existing Concomitant Agreement for Kelsey Creek Center to allow health club uses of less than 5,000 square feet. (File No. 03-131400-LQ)  
*(This is an opportunity to pose questions on this quasi-judicial matter. Council action is scheduled for July 6, 2004. This site is within the East Bellevue Community Council's boundaries.)*

Carol Helland, Land Use Director, described an application for a rezone amendment to the existing Concomitant Agreement for Kelsey Creek Center to allow health club uses of less than 5,000 square feet.

Responding to Councilmember Davidson, Ms. Helland said the site is zoned as Community Business (CB), which typically allows health clubs. However, the concomitant agreement for the site currently does not allow this use.

Mayor Marshall noted the issue will be brought back to Council on July 6.

- (b) Application of Overlake Hospital Medical Center and City of Bellevue for rezone of five parcels from Office Limited Business (OLB) to Institutional District (I).  
(File No. 04-104728-LQ)  
*(Quasi-judicial matter scheduled for Council action on July 6, 2004.)*

Mr. Sarkozy opened discussion regarding an application by Overlake Hospital Medical Center and the City of Bellevue to rezone five parcels along 116<sup>th</sup> Avenue from Office Limited Business (OLB) to Institutional District (I).

Mayor Marshall noted her husband is Medical Director of the Emergency Department at Overlake Hospital Medical Center and recused herself from participation in this discussion and decision. She asked Deputy Mayor Noble to chair the discussion and left the room.

Ms. Helland described the rezone application as straightforward and explained that the parcels were included in the original master plan for the hospital approved by the City in 1999. A condition attached to the original master plan required the parcels to be rezoned prior to development. This is the first step in expansion of Overlake Hospital Medical Center.

Responding to Dr. Davidson, Ms. Helland said the entire medical center campus extends from NE 8<sup>th</sup> to NE 12<sup>th</sup> Street and between 116<sup>th</sup> Avenue and I-405. When the master plan was adopted in 1999, it included a provision that the hospital could only rezone parcels under its control although the entire site was identified as appropriate for Institutional zoning.

Deputy Mayor Noble said this matter will return to Council on July 6.

At 7:58 p.m., Deputy Mayor Noble declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

kaw



CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

June 21, 2004  
8:00 p.m.

Council Chambers  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee<sup>1</sup>

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:02 p.m. by Mayor Marshall, who presided.

2. Roll Call, Flag Salute

Upon roll call by the City Clerk, all Councilmembers except Mr. Lee<sup>1</sup> were present. Councilmember Degginger led the flag salute.

(a) Proclamation – Parks and Recreation Month in July

Deputy Mayor Noble read a proclamation recognizing July as Parks and Recreation Month in Bellevue. Emily Leslie, Human Services Manager, received the proclamation on behalf of the Parks and Community Services Department.

(b) Commendation for Chief Lucarelli's Years of Service

Deputy Mayor Noble read a commendation recognizing Fire Chief Peter Lucarelli's more than 40 years of service to the Cities of Los Angeles and Bellevue and his national leadership in fire service.

Chief Lucarelli thanked Council, the City Manager, and the community for supporting his development and leadership of the Bellevue Fire Department since 1990.

Mayor Marshall invited former Mayors Mike Creighton and Ron Smith to the podium for parting words to Chief Lucarelli.

Mike Creighton thanked Chief Lucarelli for his service to the City and for the exceptional emergency medical services which assisted Mr. Creighton in recent years.

---

<sup>1</sup> Councilmember Lee arrived at 8:14 p.m.

Ron Smith commended Chief Lucarelli's professionalism, integrity, and service to the community.

Dr. Davidson, who was on the Council when Chief Lucarelli was hired, thanked him for his leadership and role in making Bellevue a better city.

Councilmember Balducci noted her participation on the Disability Board and the Firemen's Pension Board, where she has observed the universal respect for Chief Lucarelli within the Fire Department and the City.

Councilmember Degginger praised Chief Lucarelli's responsiveness to Council and service to the community.

Councilmember Chelminiak expressed appreciation for the Fire Department and wished Chief Lucarelli well in retirement.

Councilmember Lee praised Chief Lucarelli for earning the respect of his department and the community and thanked him for his public service.

Deputy Mayor Noble commended Chief Lucarelli's leadership and integrity on both local and national issues.

Mayor Marshall praised Chief Lucarelli for his leadership, courage, commitment, and ability to change the world.

3. Communications: Written and Oral

- (a) Arlene Darby congratulated Chief Lucarelli on his retirement and thanked him for his outstanding service.
- (b) Heather Trescases and Daniel Gale, Eastside Heritage Center, invited Council and the public to the annual Strawberry Festival on Saturday, June 26, in Old Bellevue.
- (c) Tim Attebery, Master Builders Association of King and Snohomish Counties, encouraged Council to retain the City's 10,000 square foot residential sprinkler mandate.
- (d) Ron Smith, Kemper Development Company, spoke in favor of Resolution No. 7013 [Agenda Item 11(a)].
- (e) Kathy Putt, Comcast, commented on Agenda Item 11(e) regarding cable communications and franchise terms.
- (f) Gail Stickles, a resident of Newport Hills, thanked Chief Lucarelli for significant improvements in South Bellevue after the area was annexed into the city.

4. Reports of Community Councils, Boards and Commissions

Berta Seltzer, Chair of the Human Services Commission, provided an update on the Commission's activities including the development of recommendations regarding the Human Services and Housing elements of the Comprehensive Plan, hosting a public hearing regarding human services needs and the use of Community Development Block Grant funds, and working with staff regarding the King County Task Force on Regional Human Services. The Commission is currently reviewing 84 applications for 2005-2006 funding and will present recommendations to Council in late October. Ms. Seltzer thanked Council for its ongoing support of human services.

5. Report of the City Manager

City Manager Steve Sarkozy asked staff to provide an update on the Factoria Area Transportation Study (FATS). Kevin McDonald, Sr. Transportation Planner, said the FATS update was initiated in January to analyze land use capacity and transportation system needs in the Factoria area. Public involvement in the planning process includes a survey of 2,000 residents and businesses, community meetings, business workshops, and a walking inventory of the area to identify issues and needs. Mr. McDonald referred the public to the following web site for ongoing information: [www.fatsupdate.com](http://www.fatsupdate.com).

Councilmember Lee expressed support for staff's early involvement of the business community and residents in the planning process.

Moving on, Mr. Sarkozy announced the City has been approved for Limited Term General Obligation Bonds to finance the redevelopment of the New City Building. The City's Aaa bond rating for Unlimited General Obligation Bonds has been reaffirmed. Aaa is Moody's highest bond rating.

Mr. Sarkozy praised Chief Lucarelli's strong leadership, locally and nationally, to enhance the professionalism of fire services.

6. Council Business

Dr. Davidson attended the Association of Washington Cities (AWC) annual conference.

Ms. Balducci attended community meetings associated with West Lake Sammamish Parkway and the Factoria Area Transportation Study, a state-sponsored open house regarding two options (4-lane and 6-lane) for SR 520, and Bellevue's sixth annual 24-Hour Relay Challenge.

Mr. Degginger attended Cascade Water Alliance's Resources Planning Committee meeting.

Mr. Chelminiak attended opening day of the Bellevue Farmer's Market along with Mayor Marshall. Mr. Chelminiak attended the Probation Board meeting.

Mr. Lee attended the 24-Hour Relay Challenge, a Washington State-China Relations Council meeting, and a Lincoln Tower open house.

Deputy Mayor Noble attended meetings of Puget Sound Regional Council's Transportation Policy Board and the Eastside Transportation Partnership (ETP).

Mayor Marshall congratulated high school graduates. Mrs. Marshall attended the joint transportation planning meeting with Redmond City Council and a Bellevue Chamber of Commerce retreat.

7. Approval of the Agenda

➡ Dr. Davidson moved to approve the agenda, and Mr. Noble seconded the motion.

➡ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

➡ Deputy Mayor Noble moved to approve the Consent Calendar, and Dr. Davidson seconded the motion.

➡ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Minutes of May 24, 2004 Extended Study Session  
Minutes of June 1, 2004 Study Session  
Minutes of June 7, 2004 Regular Session
- (b) Motion to approve payment of claims for the period May 29 through June 11, 2004, and payroll for the period May 16 through May 31, 2004.
- (c) Resolution No. 7010 authorizing execution of a two-year agreement with two optional one-year extensions with SBC TeleComm Inc. to provide local and long distance phone service.
- (d) Motion to award Bid No. 0426 to renovate and expand the playgrounds at Wilburton Hill Park, Downtown Park, and Norwood Village Park to LW Sundstrom, Inc., as the lowest responsible bidder in the amount of \$399,410. (CIP Plan Nos. NEP-1 and P-R-11)
- (e) Resolution No. 7011 authorizing an agreement with the Bellevue Breakfast Rotary Club (BBRC) to govern the relationship of the parties with respect to the design, construction, use, and operation of the new Accessible Water Play Area at Crossroads Community Center and authorizing the City Manager to expend funding for the design, construction, testing, permitting, and project management. (CIP Plan No. P-AD-58) *(Discussed with Council on June 14, 2004.)*

- (f) Resolution No. 7012 authorizing the City Manager to execute a Memorandum of Understanding with Pacific Science Center which defines strategies for implementation, design, and funding and addresses the capital construction, maintenance, and operating costs for the Mercer Slough Environmental Educational Center.
- (g) Ordinance No. 5527 authorizing the City Manager to execute a Homeland Security Subgrant Agreement with King County to accept grant funds for purchase of a bomb truck for Bellevue Police Department; establishing a project within the Operating Grants and Donations Fund; appropriating additional revenues to the Operating Grants and Donations Fund; authorizing the expenditures of said grant funds; and authorizing interfund loans.
- (h) Motion to award Bid No. 0427 to construct a missing link of sidewalk along the west side of 116<sup>th</sup> Avenue NE, from NE 21<sup>st</sup> Street to 450 feet northerly, to Mer-Con, Inc., as low bidder in the amount of \$55,996. (CIP Plan No. PW-W/B-56)
- (i) Resolution No. 7014 authorizing amending the Agreement with HDR Engineering, Inc. for the NE 10<sup>th</sup> Street Extension/Overlake Hospital Medical Center (OHMC) Expansion Traffic Operations Analysis to include a greater number of alternatives. (Contract No. 35434) (*Council approved OHMC Master Plan/NE 10<sup>th</sup> Extension EIS on May 3, 2004.*)
- (j) Motion to award Bid No. 0424 for 143<sup>rd</sup> Avenue SE and SE 10<sup>th</sup> Place water extension project to install approximately 590 lineal feet of new watermain to improve service reliability in the *Lake Hills neighborhood* to Earthwork Enterprises as lowest responsible bidder in the amount of \$123,952.20.
- (k) Motion to award Bid No. 0428 for asphalt/concrete restoration (patches) to AA Asphalt, Inc., as lowest responsible bidder in the amount of \$180,838.25.
- (l) Maintenance Service Contracts
  - (1) Resolution No. 7015 authorizing execution of the first of three potential renewals of a maintenance services contract with Davey Tree for special tree maintenance and removal services for a total potential contract amount of \$105,000.
  - (2) Resolution No. 7016 authorizing execution of the first of three potential renewals of a maintenance services contract with Asplundh Tree Experts for heavy duty tree maintenance and removal for a total potential contract amount of \$105,000.
  - (3) Resolution No. 7017 authorizing execution of a maintenance services contract and three potential renewals with Graffiti Busters for graffiti

removal and abatement services for a total potential contract amount of \$140,000.

- (4) Resolution No. 7018 authorizing execution of a maintenance services contract and three potential renewals with Stripe Rite, Inc., for street thermoplastic maintenance for a total potential contract amount of \$140,000.
  - (5) Resolution No. 7019 authorizing execution of a maintenance services contract with Stripe Rite, Inc., for annual pavement marking maintenance services in an amount not to exceed \$61,137.82.
  - (6) Resolution No. 7020 authorizing execution of a maintenance services contract and one potential two-year renewal with Accurate Auto Body for auto body repair and paint services for light and medium duty equipment, for a total potential contract amount of \$500,000.
  - (7) Resolution No. 7021 authorizing execution of a maintenance services contract and one potential two-year renewal with Geo. Heiser Body Company for auto body repair and paint services for heavy duty equipment, for a total potential contract amount of \$100,000.
  - (8) Resolution No. 7022 authorizing execution of a four-year maintenance agreement with Bravo Environmental Services, LLC, for wastewater mainline root sawing services in an amount not to exceed \$434,160.70.
  - (m) Resolution No. 7023 authorizing staff to enter into a purchase agreement with Northern Video Systems for water system security enhancements. (CIP Plan No. W-95)
  - (n) Resolution No. 7024 authorizing the City Manager to execute a signed Settlement Agreement authorizing payment of \$70,000 in settlement of a claim filed by Robert and Nancy Getz (Claim No. 03-048-01).
9. Public Hearings: None.
10. Land Use: None.
11. Other Ordinances, Resolutions and Motions
- (a) Resolution No. 7013 authorizing execution of an Agreement Regarding Environmental Conditions and all other necessary documents with LS Holdings, LLC, reflecting the parties' plans to deal with potential contamination under the City rights-of-way adjacent to the Lincoln Square site.

City Attorney Richard Andrews explained that Resolution No. 7013 outlines procedures and responsibilities related to any potential soil contamination from a gas station previously located at 604 Bellevue Way NE.

➡ Deputy Mayor Noble moved to approve Resolution No. 7013, and Mr. Lee seconded the motion.

➡ The motion to approve Resolution No. 7013 carried by a vote of 7-0.

- (b) Ordinance No. 5528 repealing chapters of Bellevue City Code; adopting a new Chapter 23.05 relating to Construction Code administration; adopting new Chapters 23.10, 23.50, 23.60 and amending Sections 23.16.010 and 23.16.035.  
*(Discussed with Council during the June 14, 2004, Extended Study Session.)*

Mike Brennan, Deputy Director of Development Services, explained that Ordinance No. 5528 is the first of three ordinances dealing with construction and fire codes. Ordinance No. 5528 amends the building code.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5528, and Mayor Marshall seconded the motion.

➡ The motion to adopt Ordinance No. 5528 carried by a vote of 7-0.

- (c) Ordinance No. 5529 repealing sections of the Bellevue City Code; adopting a new Chapter 23.11.46 relating to the fire code; adopting and amending the international fire code; and establishing an effective date.

Mayor Marshall recalled Council's discussion of this item during the June 14 Extended Study Session. Deputy Mayor Noble noted revised materials in Council's desk packet regarding the sprinkler threshold options of 10,000 square feet or 5,000 square feet presented for Council's consideration.

Responding to Deputy Mayor Noble, Fire Marshall Steve Nuttall confirmed that the state has adopted the International Residential Code, which does not have sprinkler requirements for single-family dwellings. The International Building and Fire Codes include sprinkler requirements but the International Residential Code takes precedence over these codes for single-family dwellings. Mr. Nuttall clarified that the International Fire Code includes sprinkler requirements for certain commercial occupancies less than 5,000 square feet based upon the hazard and occupancy type.

In further response to Mr. Noble, Chief Lucarelli said the 10,000-square-foot threshold was adopted in 1992 and based on the Uniform Fire Code.

Mr. Lee acknowledged the benefits of sprinklers but is concerned about the associated cost. He suggested a continued emphasis on outreach and education and a cost-benefit analysis of the proposed 5,000-square-foot sprinkler requirement.

Mr. Noble concurred with Mr. Lee and suggested the option of providing a financial incentive, such as a property tax rebate, for citizens who install sprinklers in residences. Chief Lucarelli feels it would be worthwhile to analyze this option.

Mr. Chelminiak agrees that sprinklers in large residences represent a sound investment. However, he feels the decision should be left up to homeowners. In response to Mr. Chelminiak, Chief Lucarelli explained that the statistics for sprinklered buildings and residences represent sprinklers required as part of a building permit rather than voluntary installations. Sprinklers can be required as a permit condition based on specific hazards, access to the building, water supply, and related issues. Waterfront properties can be particularly difficult to access.

Mayor Marshall spoke in favor of retaining the 10,000-square-foot threshold for requiring sprinklers. Regarding Mr. Noble's suggestion for a tax rebate, Mrs. Marshall opined that the self direction of tax dollars is potentially problematic and conflicts with the principle of paying taxes for community benefit. She does not want to over-regulate citizens.

➡ Deputy Mayor Noble moved to adopt Alternative A of Ordinance No. 5529, which retains the current 10,000-square-foot requirement for automatic fire extinguishing systems. Mr. Chelminiak seconded the motion.

➡ The motion to adopt Ordinance No. 5529, Alternative A, carried by a vote of 7-0.

Mr. Noble requested analysis and consideration of his tax rebate idea, noting that in the long run the community could save money if more houses were sprinklered. Mr. Lee concurred.

Councilmember Balducci agreed with Mr. Noble and Mr. Lee and encouraged enhanced education efforts to increase the voluntary installation of sprinklers.

Mayor Marshall noted consensus to direct staff to further study the issue. Mr. Sarkozy acknowledged this direction and described data compiled by the Fire Department indicating that a stricter sprinkler requirement is perhaps the most significant way in the past 100 years to improve fire service and safety.

Mr. Chelminiak questioned Council's interest in further consideration of requirements related to barbecue grills and Christmas trees. As stated previously, he prefers an educational approach rather than banning these items. Dr. Davidson agreed but expressed concern about the ability to enforce such provisions. Mr. Degginger concurred with Dr. Davidson's concern.

Mayor Marshall noted Council's interest in developing an official position on barbecues and Christmas trees.

- (d) Ordinance No. 5530 repealing Chapter 23.30 of the Bellevue City Code; adopting a new Chapter 23.30 codifying and amending the state electrical code; adopting certain figures and drawings; and establishing an effective date. *(Discussed with Council during the June 14, 2004, Extended Study Session.)*



➡ Deputy Mayor Noble moved to adopt Ordinance No. 5530, and Dr. Davidson seconded the motion.

➡ The motion to adopt Ordinance No. 5530 carried by a vote of 7-0.

(e) Cable Communications and Franchise Terms (*Discussed with Council during the June 1 Special Meeting and the June 14 Extended Study Session.*)

David Kerr, Franchise Manager, referred to his memo in Council's desk packet and reviewed alternatives to the cable television service outage credit requirement in the proposed Chapter 5.30.460(C)(6) of the Bellevue City Code. Staff's proposed contract language requires Comcast to issue automatic credits for known service outages of one hour or longer. Alternative 1 requires a credit if a customer reports a service interruption as well as notice on customer bills regarding the availability of credits. Alternative 2 requires notice to customers regarding the availability of credits. Alternative 3 eliminates requirements regarding credits for service outages and allows the cable companies to continue with their current practices.

Mayor Marshall supports Alternative 1. Mr. Lee and Mr. Noble concurred.

(1) Ordinance No. 5531 repealing Bellevue City Code Chapter 5.30 and adopting a new Chapter 5.30 governing cable communications and cable franchises.

(2) Ordinance No. 5532 repealing Ordinance Nos. 1859 and 2023 and Chapter 14.20 of the Bellevue City Code relating to Franchise Terms and Conditions and adopting a new BCC Chapter 14.20.

➡ Deputy Mayor Noble moved to adopt Ordinance No. 5531, amended by Alternative 1 in Mr. Kerr's memo, and Ordinance No. 5532. Mr. Chelminiak seconded the motion.

➡ The motion to adopt Ordinance No. 5531, as amended by Alternative 1, and Ordinance No. 5532 carried by a vote of 7-0.

(f) Contracts relating to Construction at the New City Building

Planning and Community Development Director Matt Terry requested Council approval of eight contracts related to redevelopment construction at the New City Building. All of the contracts are assumed in the project scope and budget previously approved by Council and address design (art, public safety, acoustics), technology (911 Communications Center, computers, phone network, core building systems), and technical assistance in evaluating ongoing contract issues and change order requests.

Responding to Mr. Degginger, Facilities Planning/Development Manager Frank Pinney said approximately \$250,000 remains in the SRG Partnership contract for specialized technical consultants. Mr. Terry clarified this was not a contingency fund but rather a reserve for contract work that could not be defined until the project scope was established. Now that the project

scope has been set, staff can move forward with the project. Staff believes the funds will cover remaining known work on this project. Mr. Degginger said he will not approve additional funds for this contract. He reiterated a previous request for detailed information on contract-related insurance requirements.

- (1) Resolution No. 7025 authorizing execution of a contract amendment with The Seneca Real Estate Group for construction management services in the amount of \$49,800 for a new total contract amount of \$271,150.
- (2) Resolution No. 7026 authorizing execution of a contract amendment with the Cultural Development Authority of King County for project management of public art installations from \$19,474 to a new total amount of \$75,794.
- (3) Resolution No. 7027 authorizing execution of a contract amendment with McClaren Wilson & Lawrie, Inc., for design services for the public safety functions in the New City Building from \$75,000 to a new total amount of \$120,000.
- (4) Resolution No. 7028 authorizing execution of a contract amendment with SRG Partnership for graphic design services from \$6,704,587 to a new total amount of \$6,779,662.
- (5) Resolution No. 7029 authorizing execution of a contract amendment with TechPMgroup, LLC, for service delivery infrastructure project management services from \$48,800 to a new total amount of \$177,915.
- (6) Resolution No. 7030 authorizing execution of a contract amendment with RLF Enterprises, Ltd. for technology systems project management services from \$188,000 to a new total amount of \$935,186.
- (7) Resolution No. 7031 authorizing execution of a contract with GeoEngineers, Inc. for geotechnical services in the amount of \$94,000.
- (8) Resolution No. 7032 authorizing execution of a contract with BRC Acoustics, Inc., for audio-visual services in the amount of \$80,600.

➡ Deputy Mayor Noble moved to approve Resolution Nos. 7025, 7026, 7027, 7028, 7029, 7030, 7031, 7032, and Dr. Davidson seconded the motion.

➡ The motion to approve Resolution Nos. 7025, 7026, 7027, 7028, 7029, 7030, 7031, 7032 carried by a vote of 7-0.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 9:47 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

kaw

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Special Meeting

June 24, 2004  
12:30 p.m.

Conference Room 3 A/B – City Hall  
Bellevue, Washington

PRESENT: Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson

ABSENT: Mayor Marshall and Councilmembers Degginger and Lee

1. Purchase Contract with Lehman Brothers for Limited Tax General Obligation Bonds

Ordinance No. 5533 of the City of Bellevue, Washington, providing for the issuance and sale of limited tax general obligation bonds of the City in the principal amount of \$102,710,000 for the purpose of providing funds to redeem the City's Limited Tax General Obligation Bond Anticipation Note 2002 (Taxable) used to acquire the New City Building, to finance renovation and improvement costs thereto, and to pay interest during renovation and to pay bond issuance costs; providing the date, form, terms and maturities of the bonds; and providing for the annual levy of taxes to pay the principal of and interest on the bonds.

The meeting was called to order at 12:34 p.m. by Deputy Mayor Noble, who presided. He noted previous Council discussion of this item, most recently during the June 21, 2004, Study Session.

Finance Director Jan Hawn described the sale of Limited Tax General Obligation bonds to finance the acquisition and renovation of the New City Building. Nine firms bid on the bond sale. Lehman Brothers was selected with a TIC (true interest cost) of 5.172622 percent, which was better than the anticipated TIC of 5.34 percent. The bonds represent a debt service savings averaging \$87,000 per year. Ms. Hawn noted the City maintains its Aaa rating with Moody's and AA+ rating with Standard and Poor with this bond transaction.

Rebecca Chao, financial advisor, commented that four or five bids were anticipated. However, financial institutions perceived this bond purchase as a very secure tax-exempt investment. Stacey Crawshaw-Lewis, bond counsel, noted there are no material changes to the proposed ordinance since Council's discussion on Monday. The bond sale will close on July 8.

June 24, 2004 Special Meeting

- ➡ Councilmember Balducci moved to adopt Ordinance No. 5533, and Mr. Chelminiak seconded the motion.
- ➡ The motion to adopt Ordinance No. 5533 carried by a vote of 4-0.

Deputy Mayor Noble declared the meeting adjourned at 12:44 p.m.

Myrna L. Basic  
City Clerk

kaw

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

June 28, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 45 minutes to discuss one item of pending litigation.

The meeting resumed at 7:30 p.m. with Mayor Marshall presiding. Mrs. Marshall requested Council approval of the revised agenda.

➡ Deputy Mayor Noble moved to approve the revised agenda, and Ms. Balducci seconded the motion.

➡ The motion to approve the revised agenda carried by a vote of 7-0.

2. Oral Communications

(a) Susan Harper introduced students visiting from Bellevue's Sister Cities: Jan Janout and Ladislav Pham from Kladno, Czech Republic, and Santa Kadike from Liepaja, Latvia. Ms. Harper introduced Megan Fuller, Issaquah High School and Jared Schrader, Bellevue High School, who will travel to Sister Cities this summer. Kamille Go, an Issaquah student, was not in attendance but is participating in the student exchange program this year as well.

(b) Bill Pace announced it is harvest time at the Larsen Lake and Mercer Slough blueberry fields. Organic berries are available at the Mercer Slough produce store for the first time this year as well. Mr. Pace contributed berries for the Strawberry Festival this year and enjoyed running into old friends at this event.

- (c) Marty Nizlek, President of the West Lake Sammamish Association, thanked Council and staff for planning efforts related to the West Lake Sammamish Parkway project.
- (d) Greg Patrick thanked staff for preparing and presenting five West Lake Sammamish Parkway project alternatives for consideration. He feels there is strong support among residents for Option 2. Noting staff's preference for Option 5, Mr. Patrick asked Council to review the options with an open mind.
- (e) Carolyn Maxim encouraged Council and staff to consider aesthetics in implementing the Comprehensive Plan and related codes. Speaking to the City's review of the NE 8<sup>th</sup> Street/Wilburton area, she expressed concern that staff will find it difficult to incorporate aesthetics and design review because the area is zoned as general commercial. Ms. Maxim encouraged a balance between economic development and aesthetics.

Mayor Marshall asked Councilmember Degginger, Council liaison to the Planning Commission, to discuss this issue with the Commission.

- (f) Mark Sussman, President of Sammamish Shores Homeowners Association, thanked the City for the community outreach efforts over the past six months to discuss alternatives for West Lake Sammamish Parkway. He noted the priority of residents to retain the scenic beauty of the roadway in the course of implementing improvements and to minimize any impacts of widening the street.
- (g) Arlene Darby thanked City Attorney Richard Andrews for his years of service to Bellevue and wished him well.
- (h) Claire Petersky, Chair of the Pedestrian and Bicycle Citizen Advisory Group, commended Nancy LaCombe, Transportation Department, for her professionalism and willingness to listen to residents' points of views. She encouraged the City to provide adequate pavement for bicycling, particularly northbound travel, along West Lake Sammamish Parkway. Ms. Petersky expressed support for Option 4 because it provides the best facilities for pedestrians.
- (i) Kathy Putt, Comcast, commented on Agenda Item 3(g). She explained that the City allows Comcast to offset its five percent franchise fee against the six percent utility occupation tax. As a result, Comcast pays the franchise fee plus a one percent utility tax. Ms. Putt noted this stipulation is not included in the franchise agreement approval but will be a part of Council's upcoming budget decisions. She reminded Council that Comcast provides the City's government and educational access channels.
- (j) Chris Monger commended staff's professionalism and public involvement activities associated with planning the West Lake Sammamish Parkway project. He is a bicyclist and prefers to use the bike lane on the west side of the roadway but agrees with the previous speaker regarding the difficulty of bicycling on the other side of the street. Mr. Monger is concerned that bike lanes on both sides of the road will reduce safety and complicate access to the roadway.

3. Study Session

(a) Commendation for City Attorney Richard Andrews' Years of Service

Mayor Marshall read a commendation recognizing City Attorney Richard Andrews' service to the City since 1980. He became City Attorney in 1984. Mrs. Marshall highlighted Mr. Andrews' accomplishments including environmental protection ordinances, pioneering the Traffic Standards Code, coordinating standards for group homes, and formulating regulations to restrain the adult entertainment industry in Bellevue. His leadership includes serving as past president of the Washington State Association of Municipal Attorneys.

Dr. Davidson has enjoyed working with Mr. Andrews since he first served on the Council in 1984. Mr. Chelminiak praised Mr. Andrews' sound legal advice. Mr. Lee thanked Mr. Andrews for always being accessible to Council. Mayor Marshall commended Mr. Andrews' progressive leadership on legal issues. Deputy Mayor Noble thanked Mr. Andrews for his critical role within the City. Mr. Degginger noted Mr. Andrews has taught him how to be a good client. Ms. Balducci appreciates all she has learned from Mr. Andrews.

Mr. Andrews thanked Council, staff, and the community for their visionary perspective and support of his work over the years.

(b) Resolution No. 7041 authorizing the City Manager to notify King County that all contingencies have been satisfied for transfer of ownership of property located at 1440 116<sup>th</sup> Avenue NE to the City on behalf of all King County cities for purposes of contributing financial assistance for future misdemeanor jail capacity for cities pursuant to the terms of the Property Transfer Agreement.

City Manager Steve Sarkozy said Resolution No. 7041 authorizes the transfer of property on 116<sup>th</sup> Avenue NE from King County to Bellevue on behalf of all King County cities for purposes of providing financial assistance for future misdemeanor jail capacity. Diane Carlson, Director of Intergovernmental Relations, recalled previous Council discussion of this item.

➡ Mr. Lee moved to approve Resolution No. 7041, and Mr. Noble seconded the motion.

➡ The motion to approve Resolution No. 7041 carried by a vote of 7-0.

(c) 2005-2006 Operating Budget and 2005-2011 CIP Plan

(1) Utilities Department Presentation

Brad Miyake, Utilities Director, introduced Steve Szablya (Chair) and Diane Pottinger (Vice Chair) of the Environmental Services Commission and thanked the Commission for assisting staff in developing the Utilities Department's budget recommendations.

Mr. Miyake said the Utilities Department provides the following programs and services:



- Water maintenance and operations
- Sewer maintenance and operations
- Storm and surface water maintenance and operations
- Utilities improvements
- Fleet and communications services, and
- Solid waste contract management.

The Utilities Department's 2004 operating budget totals approximately \$108 million. Mr. Miyake compared Bellevue's utility rates to neighboring cities noting that water rates fall about in the middle, sewer rates are lower, and storm water rates are higher for residential uses but lower for commercial and multifamily uses. He explained that Bellevue's residential storm water rates are higher because they are based on actual runoff rather than a fixed rate.

Mr. Miyake reviewed the following key budget issues for the Utilities Department:

External

1. King County METRO wastewater costs
2. Cascade Water Alliance
3. Pavement Restoration
4. Stormwater National Pollution Discharge Elimination System (NPDES) permit

Infrastructure needs

5. Renewal and replacement
6. New capital projects

Before describing these in detail, Mr. Miyake said the potential impact of the key issues and rate drivers on a typical residential customer could result in a rate increase of approximately 7.6 percent for 2005 utility bills.

Mr. Miyake recalled discussion with Council in March regarding a proposal by King County METRO to increase wastewater costs by 9.4 percent for 2005. He noted the City can continue to pass these increased costs on to consumers or choose to reduce local programs.

Mr. Miyake explained that the City's water costs for 2005-2006 will be approximately \$1.5 to 2 million lower under the Cascade Water Alliance (CWA) than they would have been under the previous contract with the City of Seattle. He noted alternatives to use the cost savings to offset rate increases in 2005-2006 or to reduce rates in 2005 and implement an 11 percent rate increase in 2007.

Mr. Miyake explained that the City's water costs are fixed under CWA regardless of actual consumption levels. If consumption is lower than anticipated, the City could potentially be in a position of collecting inadequate funds to cover the wholesale water bill. Staff recommends increasing operating reserves by approximately \$3.1 million to address this risk.

Turning to pavement restoration, Mr. Miyake said the Utilities Department installs pavement patches when roads are restored after installing utilities infrastructure. Staff requests funding of \$370,000 per year to meet city code requirements for the grind and overlay program.

The Federal Clean Water Act (FCWA) requires a stormwater NPDES permit at a cost of \$165,000 per year. Staff requests this funding in 2005 if Bellevue wishes to comply with the Act.

The Utilities Renewal and Replacement Program was established in 1995 to establish reserves and maintain rate stability. A recent review of the program indicates Bellevue is ahead of most cities in its renewal and replacement planning and infrastructure assets are expected to last longer than originally anticipated. However, additional findings indicate that replacement costs are understated and some infrastructure items are not included in the program. Mr. Miyake said the estimated additional cost for renewal and replacement needs is \$55,000 per year for water and sewer and \$150,000 per year for storm water.

Mr. Miyake reviewed the following high-priority capital needs: 1) infrastructure replacement, 2) capacity needs in downtown Bellevue, 3) regulatory requirements, and 4) flooding problems. The cost to fund these new projects in the 2005-2011 CIP Plan is estimated at \$450,000 per year for water, \$280,000 per year for sewer, and \$100,000 per year for storm water. Mr. Miyake reiterated that funding these needs would cause an estimated utility bill increase of 7.6 percent for the average customer in 2005.

Mr. Miyake and Assistant Director Nav Otal responded to questions of clarification from Council. Mayor Marshall thanked staff for the presentation and noted that budget alternatives will be discussed over the coming weeks.

## (2) 2003 Performance Measures Report

Finance Director Jan Hawn opened discussion regarding 2003 performance measures, noting this is the seventh year of the performance measures program.

Rich Siegel, Performance and Outreach Coordinator, summarized that the City met its targets for most of the "vital sign" performance measures in 2003. Departments met more targets than ever before, despite the continued implementation of cost control measures. The measures indicate continuing improvement in service levels since 1998. Mr. Siegel said the City utilizes performance measures as part of its ongoing effort to meet resident and stakeholder expectations and ensure the most efficient delivery of programs and services. As an example of a performance measure indicating the success of the Development Services Improvement (DSI) initiative, the average number of days for processing building permits decreased from 26.4 in 2001 to 10.4 in 2003.

Mr. Siegel said Bellevue recently received a grant (funded by the Alfred P. Sloan Foundation in New York City) from the National Center for Civic Innovation and is now part of the Government Performance Reporting Demonstration Project. The purpose of the grant project is

to improve dialogue with residents, develop a "Performance Counts" web site, and improve the annual performance report.

Mr. Siegel explained that Bellevue has 16 "vital sign" performance measures. Of the 16, 13 measures met or exceeded performance targets in 2003. Areas rated well by residents include parks and recreation facilities, police and fire services, roads, and overall good services. A small number of negative comments focus primarily on traffic congestion. A majority of residents (92 percent) rate their neighborhood as a good place to live and 80 percent feel they are getting their money's worth from local government. Mr. Siegel cited Bellevue's Aaa bond rating with Moody's as an indication of the City's financial health. The Police Department exceeded its target of 4.2 minutes for response time to emergencies with an actual average response time of 3.3 minutes in 2003. Similarly, the Fire Department's 85-percent target for confining fires to the room of origin was exceeded with an actual rate of 93 percent. The cardiac arrest survival rate was on target at 35 percent.

Dr. Davidson commended the professionalism and good work of staff in tracking and reporting performance measures.

Mr. Lee expressed support for the performance measures program. He questioned the correlation between costs and service levels. Mr. Siegel explained that in comparison to other ICMA (International City/County Management Association) cities, Bellevue is in the middle of the range in terms of staffing costs.

Mr. Sarkozy thanked Councilmembers for their support of performance measure reporting.

### (3) 2005-2011 General CIP Plan Early Outlook

Joe Guinasso, Assistant Finance Director, introduced Jason Bentosino, Budget Analyst and CIP Coordinator for the City. Mr. Guinasso explained that the early outlook forecast establishes the base for development of the Capital Investment Program (CIP) Plan, reflects projects in the 2003-2009 CIP Plan, and shows funding available for new projects. The preliminary 2005-2011 CIP Plan contains 30 ongoing programs and 52 projects totaling \$167 million over the seven year plan. Approximately \$24 million is available for new projects in the last two years of the plan. Mr. Guinasso noted a downward adjustment of approximately \$1 million annually in projected sales and B&O (Business and Occupation) taxes as well as the loss of transportation funding through the passage of Initiative 776.

Mr. Guinasso recalled Council's authorization in November 2003 of a \$35 million CIP line of credit for a five-year term. He reviewed three alternatives for addressing this borrowing in the budget process:

- A. Base update – Continuation of 2003-2009 CIP Plan, total borrowing estimated up to \$48 million to be repaid in 2010 with interest expense of \$4.2 million. \$24 million in unallocated funding available for new projects.
- B. Restricts line of credit borrowing to \$35 million with repayment in 2008. Minimizes borrowing costs with an interest expense of \$2.4 million. This option requires project

deferrals from 2005 to 2009 and provides \$27 million in unallocated funding for new projects.

- C. Staff's recommendation – Extends \$35 million line of credit by one year for a six-year term, \$3.1 million in interest expense, and maintains \$27 million available for new projects. The line of credit will be repaid in 2009. Minimizes borrowing costs and provides more steady project delivery than Alternative B.

Mr. Guinasso reviewed the following recommendations for project deferrals under Alternative C:

- 148<sup>th</sup> Avenue SE/Lake Hills Boulevard – Proposed deferral of one year from 2006 to 2007.
- 124<sup>th</sup> Avenue NE/Bel-Red Road – Pre-design project; recommend deferral from 2005 to 2008.
- 130<sup>th</sup> Avenue NE Improvements – Design project; recommend deferral of two years.
- 110<sup>th</sup> Avenue NE/NE 4<sup>th</sup> to NE 8<sup>th</sup> Street – Defer work on west side of street.
- Northup Way Corridor Improvements – Design project; propose deferral from 2005 to 2007.
- NE 10<sup>th</sup> Street/176<sup>th</sup> Avenue NE/NE 13<sup>th</sup> Street – Sidewalk and drainage project. Proposed deferral from 2005 to 2007.
- 140<sup>th</sup> Avenue NE Pathway Improvements – Proposed delay of two years.
- SE 16<sup>th</sup> Street Improvements – Proposed construction delay of one year to 2006.
- Forest Drive Improvements – Defer construction of Phase II for one year. Will complete Phase I safety improvements in 2004 and reevaluate Phase II project scope.
- Northup Way/120<sup>th</sup> to 124<sup>th</sup> Avenue – Proposed construction delay of two years to 2007.
- Parks renovation and refurbishment – Proposed deferral of major maintenance items from 2004 to 2006.
- Kelsey Creek Stream Restoration – Proposed deferral of project from 2005 to 2009.
- Trail development program – Defer expansion of trail system until 2007.
- Community Development – Meydenbauer Marina to Downtown Link project – Proposed deferral to 2009.
- Neighborhood Investment Strategy – Proposed budget reduction of \$1.5 million for 145<sup>th</sup> Place sidewalk improvements. Project scope is still being defined and project completion is scheduled for 2006.

Mr. Guinasso said Alternative B includes roughly the same list of recommended deferrals. However, project dates would be pushed further into the future and additional projects would need to be delayed as well. All three alternatives result in a balanced CIP Plan by 2011. Mr. Guinasso said Alternative C provides a more consistent staffing level than Alternative B.

In closing, Mr. Guinasso reviewed four alternatives for funding new projects: 1) wait until funding is available, 2) increase the amount of interim borrowing (line of credit), 3) reprioritize projects currently in the CIP Plan, and 4) pursue additional funding.

Mr. Degginger noted that when projects are deferred, the costs are likely to increase. Mr. Guinasso agreed and confirmed that high inflation factors are not built into the CIP Plan. More accurate estimates are developed over time as projects are addressed and implemented.

Responding to Dr. Davidson, Mr. Sarkozy said the alternatives and project deferrals presented by staff can be discussed in greater detail at Council's upcoming budget retreat. Dr. Davidson noted his preference to avoid borrowing if possible.

Mayor Marshall recalled that the majority of Council voted for the line of credit due to a favorable bidding climate and low interest rates. It will be less expensive to deliver the projects utilizing the line of credit than it would be to defer the projects.

Mr. Chelminiak expressed concern about deferring parks projects because residents clearly value Bellevue's parks and park facilities.

Responding to Ms. Balducci, Mr. Guinasso said recommendations for project deferrals were developed by each department. Transportation Director Goran Sparrman said the transportation projects recommended for deferral are those that can be delayed without incurring significant expenses. With the downsizing of transportation staff, the department prioritized projects based on available staff resources.

Ms. Balducci cautioned against deferring projects in which specific commitments have been made to the community.

Mayor Marshall asked staff to provide a summary project list indicating the phase and status of each project for Council's budget retreat.

#### (d) Transportation Projects Update

Mr. Sparrman opened staff's discussion of three projects which are partially funded in the CIP Plan.

Nancy LaCombe, Project Manager, discussed the West Lake Sammamish Parkway Pre-Design Analysis Project, noting residents' concerns regarding traffic, pedestrian and bicycle safety, and neighborhood character. Community workshops have been held, and 132 participants attended the last workshop. Project information is available on the Internet. Staff presented alternatives for traffic control locations and treatments at the third workshop in March 2004. Each option was evaluated in terms of its effect on pavement width, noise and air pollution, storm water pollution, and traffic delays during the PM peak period. Participants support adding a traffic signal (and left-turn onto the parkway) at SE 34<sup>th</sup> Street and prefer an overhead yellow flashing light at SE 26<sup>th</sup> Street. No change was requested for the intersection at Northup Way.

Ms. LaCombe said the following alternatives were discussed at the fourth workshop in April 2004: 1) maintenance, 2) existing improved, 3) shared multi-use trail on west side, and 4) bike lanes on both sides. The maintenance alternatives provide new overlays to the existing roadway. The second alternative adds two to three feet on the east side of the road to provide a consistent shoulder for the entire parkway and maintains the existing multi-use trail on the west side of the road. Alternative 3 provides the shoulder along the east side of the road and a wider buffer between traffic and the multi-use trail on the west side of the road. Alternative 4 provides four-

foot bike lanes on both sides of the parkway, with buffers, and an eight-foot pedestrian trail along the west side of the road. Residents at the fourth workshop voted on the alternatives and indicated a preference for the bike lane option.

In response to additional concerns and questions from residents, a public forum was held on May 18, 2004, in which 210 citizens attended and 36 provided public comment. Concerns raised by residents related to bikes on the parkway (particularly the east side), water quality, traffic volumes, traffic speeds, neighborhood character, road condition, and resident vs. non-resident concerns.

Ms. LaCombe displayed photos of the parkway to illustrate how the alternatives could be designed. She noted the development of a fifth alternative referred to as modified multi-use which provides an eight-foot trail on the west side of the road, a wider west lane, and a four-foot shoulder on the east side.

Ms. LaCombe reviewed simulated photos of the intersection at SE 34<sup>th</sup> Street under each of the project alternatives. Residents would like island crossings at four locations: near the Little Store, Weowna Park, Spady (new park) property, and NE Rosemont. Two additional crosswalks are proposed as well. Ms. LaCombe said residents would like the speed limit lowered to 30 miles per hour along the parkway. However, factors such as perceived lane widths and medians can be more effective in lowering traffic speeds than simply lowering the speed limit.

Turning to drainage, Ms. LaCombe explained the flow contributions from Bellevue areas into the lake are quite small; most of what runs off into the lake comes from the Issaquah Alps area and the Sammamish Plateau. Bellevue could act to detain water from the existing roadway, even though not required, but it would have negligible impact on the overall quantity of water entering the lake. However, the City will be required to provide water quality treatment for all options except the maintenance overlay.

Ms. Lacombe reviewed the following preliminary funding estimates for project alternatives and components:

- Maintenance Alternative - \$5 to 6 million
- Existing Improved Alternative - \$16 to 17 million
- Shared Multi-Use Trail - \$23 to 24 million
- Bike Lanes - \$23 to 24 million
- Modified Multi-Use Trail - \$23 to 24 million

- Storm water improvements (required by any increase in the amount of impervious surface) - \$3.5 million
- Storm water easements - \$3.5 million
- Undergrounding overhead Power - \$7 to 9 million
- Illumination - \$1 million

The undergrounding of overhead power would also require a cost of \$5,000 to 10,000 per homeowner for the cost of undergrounding the utility between the street and their home.

Three open house meetings were held this month and votes on the alternatives do not show overwhelming support for any one alternative.

Councilmember Balducci, Council liaison for this project, commended Ms. LaCombe's extensive work and positive rapport with the community.

Responding to Dr. Davidson, Ms. LaCombe said the Maintenance alternative does not trigger water quality requirements. The Existing Improved alternative would widen the road, increasing the impervious surface, and therefore necessitate water quality improvements.

Moving to the NE 24<sup>th</sup> Street project, Transportation Assistant Director David Berg said this project is partially funded for construction. Two open houses and two workshops have been held with the community to plan this project. As a result of the April 2004 open house, 93 percent of residents who voted expressed a preference for the recommended preferred alternative. Interim improvements have been implemented in the form of walkways and bus stop landings in early 2004 and an all-way stop to be added in July at 126<sup>th</sup> Avenue NE. The project is divided into east and west segments. Residents are in favor of medians and landscaping buffers as traffic-calming elements for the roadway.

Mr. Berg said approximately \$1.4 million is budgeted for the project. However, the full project estimate is nearly \$4 million. Staff is focusing on a section of the higher-priority east segment with current project funding.

Deputy Mayor Noble said the neighborhood is pleased with public outreach activities on this project and staff's responsiveness to residents.

Mr. Berg explained that the 119<sup>th</sup> Avenue SE project in Newport Hills was established to conduct public involvement to refine the scope of improvements needed, design a preferred alternative, possibly construct the initial phase, and refine construction costs during the design process. A survey of residents in July 2003 indicated concern regarding the narrow roadway, strong support for sidewalks, and majority support for bike lanes. The most important features desired were sidewalks, underground utilities, and bike lanes. More than 50 residents attended a December 2003 open house and questionnaires reflected a continued, but decreased, interest in sidewalks. Residents are concerned that the addition of bike lanes will widen the roadway appearance and thereby result in increased traffic speeds. Additional concerns address impacts to property frontage, on-street parking, keeping project costs down, and preserving the rural character of the area.

Staff met with both the Newport Heights Community Association and Newport Hills Community Association and developed some scaled-back options for consideration during a March 2004 open house. Of 80 residents who completed questionnaires, 50 prefer five-foot sidewalks on one side of the road only, 11-foot vehicle lanes, and a 6-foot paved shoulder, and 17 prefer sidewalks on both sides of the road as well as 11-foot vehicle lanes. A June survey was mailed to 1,936 households, and 206 surveys were returned. Of these, 70 percent favor a sidewalk on the east

side of the road only, 11-foot vehicle lanes, and a 6-foot paved shoulder on the west side of the road.

Mr. Berg responded to brief questions of clarification.

- ➡ Deputy Mayor Noble moved to extend the meeting to 10:30 p.m., and Mrs. Marshall seconded the motion.
- ➡ The motion to extend the meeting to 10:30 p.m. carried by a vote of 7-0.

(e) King County Library System – Upcoming Capital Replacement Bond

Bill Ptacek, Director of King County Library System, introduced Library Board Members Scott Leonard, Chair, and Cece Teddy. Representatives of Bellevue Friends of the Library and branch libraries were also in attendance.

Mr. Ptacek noted a library replacement bond measure will be on the September ballot. He showed a video summarizing the objectives of the bond measure and the many resources available through the libraries. The replacement bond will cost each household approximately \$25 per year and must be approved by at least 60 percent of voters. Mr. Ptacek said the King County Library System is the second-busiest in the United States. The bond will fund expanded meeting space and parking facilities at Bellevue Regional Library, replacement of Lake Hills Library, and improvements at other branch libraries. The bond replaces a previous bond measure and will not cause a tax increase.

Mr. Ptacek asked Council to consider a resolution of support for the library bond measure.

(f) City's Insurance Requirements for Contracts

Jocelyn Mathiasen, Assistant to the City Manager, recalled previous discussions regarding the City's contracting policies and Council's interest in further information regarding contract-related insurance requirements.

Finance Director Jan Hawn explained that an internal review of insurance requirements and a comparison to other cities indicated a wide range of practices. As a result, ARM Tech was hired to conduct an independent review of the City's contracting insurance requirements and develop recommendations. Current insurance requirements are \$1 million in general liability coverage, \$1 million for automobile liability, statutory workers' compensation coverage, and \$1 million in errors and omissions coverage.

ARM Tech interviewed key staff from operating and support departments, contacted other Washington public entities, and reviewed the City's standard insurance requirements. They are now reviewing a portion of the City's open contracts. The City enters into approximately 1,600 contracts per year. An average of five claims are filed against the City annually related to contractor activities with an average annual loss of \$84,000 covered by contractors' insurance. This average is due in part to a recent claim of \$156,000.



Primary findings are that the City's insurance requirements are practical and provide prudent protection to the City. The City's pollution and asbestos coverage requirements are more aggressive than peer jurisdictions, however. The review recommends that actual levels and types of insurance should be based on the City's risk tolerance and how it chooses to balance risk against other business considerations. Current insurance levels are in line with similar organizations, although some levels are higher than the norm. ARM Tech recommends the City update and streamline its insurance requirements and develop detailed written guidelines to assist department staff.

Ms. Hawn said staff will continue working with ARM Tech to develop written guidelines and to develop a process for special circumstances. Staff plans to discuss the revised purchasing code with Council in August.

Councilmember Degginger noted the absence of recommendations regarding specific insurance levels for design, construction, and professional services contracts. Responding to Mr. Degginger, Ms. Hawn said the City requires contractors to submit certificates of insurance and staff verifies insurance coverage.

In further response to Mr. Degginger, Ms. Mathiasen said staff is working to streamline the contract approval process. The City's Risk Manager, Joanne Nicolai, currently spends a great deal of time reviewing contracts, and staff is exploring options to delegate review of standard, routine contracts to department staff.

Mayor Marshall thanked staff for presenting the preliminary findings.

- ➡ At 10:28 p.m., Deputy Mayor Noble moved to extend the meeting to 11:00 p.m. Mrs. Marshall seconded the motion.
- ➡ The motion to extend the meeting to 11:00 p.m. carried by a vote of 6-1, with Dr. Davidson dissenting.

(g) Comcast Cable TV Franchise Renewal and BTV Budget Update

Mr. Sarkozy recalled previous discussions with Council regarding the Comcast cable television franchise renewal. He reviewed three key policy issues for Council consideration. The first is whether the franchise agreement should provide Council with the ability to request a \$450,000 capital contribution from Comcast for BTV. The capital contribution would be recovered by Comcast through a maximum monthly charge of 25 cents on subscriber bills.

Responding to Mr. Lee and Dr. Davidson, Franchise Manager David Kerr said the original equipment was purchased 10 years ago with money from the General Fund. The expiring franchise agreement included a provision to allow the collection of a \$1 per month PEG fee but it has never been charged to customers.

Responding to Ms. Balducci, Mr. Kerr confirmed the 25 cent monthly charge would be charged for a five-year term.

Mayor Marshall noted Council support of this provision.

Mr. Sarkozy said the second policy issue is whether the City should grant Comcast the indefeasible right of use for City-owned conduit and pathway for the relocation of the I-Net facilities from the current City Hall to the New City Building location in exchange for a one-time payment of \$43,000.

Mayor Marshall noted Council support of this provision.

The third policy issue is whether the City should enter into a Memorandum of Understanding Pertaining to the Application of Cable Franchise Fees to Certain Tax Obligations, which extends the utility tax offset in the existing cable TV franchise agreement until December 31, 2004. Mayor Marshall indicated Council will address this issue in its ongoing budget discussions.

Staff indicated Council will be asked to approve the franchise renewal in the near future.

(h) Regional Issues

Diane Carlson, Director of Intergovernmental Relations, recalled the creation of the King County Task Force on Regional Human Services in February to review health and human services and provide strategic recommendations for stabilizing, improving, and maintaining the system for the future. She requested Council direction regarding the Draft Regional Human Services Task Force Interest Statement provided on page 8 of the Regional Issues packet. Emily Leslie, Human Services Manager, briefly reviewed key principles in the interest statement.

Mr. Chelminiak raised the issue of the appropriate role of the county and cities in providing human services. Mr. Noble said the task force is addressing this issue. However, there are no city elected officials on the task force.

Dr. Davidson feels there should be some connection between human services and any funding sources identified in the future to support these services. He would prefer that solid waste revenues, for instance, not be used for human services. Deputy Mayor Noble spoke against addressing this specifically in the interest statement. While he agrees about not using solid waste revenues, he does not want to rule out certain resources, such as sales taxes, as potential funding sources.

Alison Bennett, Utilities Policy Program Manager, noted packet information regarding watershed planning and the Endangered Species Act. Dr. Davidson is Council's representative on the WRIA 8 Steering Committee and the WRIA 8 Forum. The steering committee is working on a draft WRIA 8 Salmon Conservation Plan, which will be reviewed with the WRIA 8 Forum and the Shared Strategy Development Committee.

Moving on, Ms. Carlson noted page 14 of the Regional Issues packet and briefly reviewed staff's recommendation that the City participate in a group promoting legislative action to implement and mitigate the national Streamlined Sales Tax Agreement, which was developed to simplify sales tax systems for online retailers to collect taxes.

Mayor Marshall noted Council consensus to participate in the coalition to support the implementation of sourcing provisions of the Streamlined Sales Tax Agreement and identify mitigation measures for local jurisdictions.

(i) Council New Initiatives

No new initiatives were introduced.

At 10:59 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

kaw

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Special Meeting

July 1, 2004  
6:00 p.m.

Conference Room 3 A/B  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger<sup>1</sup>, and Lee<sup>2</sup>

ABSENT: None.

1. Executive Session

At 6:01 p.m., Mayor Marshall opened the meeting and announced recess to Executive Session for approximately 3 hours to discuss one item of property disposition and one item of pending litigation.

Mayor Marshall declared the meeting adjourned at 9:00 p.m.

Myrna L. Basich  
City Clerk

kaw

---

<sup>1</sup> Mr. Degginger arrived at 6:30 p.m.

<sup>2</sup> Mr. Lee arrived at 6:43 p.m.

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

July 6, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:01 p.m. and announced recess to Executive Session for 20-30 minutes to discuss one item of labor negotiations.

The meeting resumed at 6:28 p.m. with Mayor Marshall presiding. Mrs. Marshall thanked City staff and community sponsors for the 4<sup>th</sup> of July celebration in Downtown Park.

2. Study Session

(a) Development Services (DS) Performance Update

Deputy City Manager Ed Oberg announced that Mike Brennan is now Deputy Director of Development Services.

Mr. Brennan recalled the Development Services Improvement initiative launched two years ago following Council direction to improve speed, predictability, and customer service. The management strategy supporting this effort focused on the development of performance measures, alignment between workload and resources, a funding structure that supports the business through economic cycles, a reliable workload and financial forecasting tool, and getting in touch with customer needs.

Mr. Brennan reported that workload and revenue increases are expected to continue, and the demand for inspection services is outpacing capacity in some areas. Development Services is adding LTE (limited term employee) inspectors to respond to the increased workload and will carefully monitor workload demands within the review function. The performance measure goal for processing permits within their targeted time lines is set aggressively at 80 percent. A performance measure of 74 percent was achieved in 2003, and the year-to-date measure as of

May is 73 percent. Mr. Brennan attributed this to longer processing times for residential permits due to increased workloads and staff training sessions.

A 2003 survey of Development Services customers indicates that 83 percent of respondents feel Bellevue is doing a good job inspecting projects and reviewing permit applications. A higher positive rating was achieved for 23 out of 25 questions compared to customer ratings in 2002. One question related to the consistency of inspections received a higher number of negative ratings than in 2002.

Recent changes in Development Services include: 1) the creation of a single point of accountability for all permit operations with Mr. Brennan as Deputy Director, 2) assigning a project manager as the point of contact for complex land use and/or discretionary approvals, 3) establishment of a single point of contact for Development Services complaints and issues across all departments, 4) implementation of a uniform performance evaluation system for all Development Services staff, and 5) privatization of inspections for some non-city-owned drainage systems.

Mr. Brennan said 2004 priorities are to:

1. Expand the project manager/single point of contact structure to cover engineering review and inspection.
2. Improve performance monitoring and management.
3. Coordinate regional transition to new International Building and Fire Codes.
4. Improve accountability and customer service for inspections.
5. Improve communication and consistency between reviewers and inspectors.
6. Continue to evaluate policies and regulations with customers to identify opportunities for improvement.

Responding to Dr. Davidson, Mr. Brennan said predictability and timeliness are the most important factors for professional developers. Homeowners tend to be more concerned about permit fees.

Mr. Degginger is pleased with the progress of the Development Services initiative and encouraged continued improvement in the consistency of inspections. Responding to Mr. Degginger, Mr. Brennan said the performance evaluation system includes criteria in the areas of technical expertise, customer service, and compliance with work rules. Mr. Degginger asked staff to notify Council about meetings with customer groups and to provide meeting minutes for Council.

Councilmember Lee commented on the important role of Development Services in the community's overall economic development.

Responding to Mr. Noble, Mr. Brennan said the inconsistency in inspections has been addressed in part by establishing a single point of contact/project manager for complex projects. Additional efforts include enhanced training and communication opportunities for inspectors and the use of checklists to increase consistency.

Mayor Marshall commended staff's efforts and reported a decrease in emails and complaints regarding permit processing and development services.

(b) 2005-2006 Operating Budget and 2005-2011 CIP Plan – Revenue Policies and Alternatives for General Fund and Capital Investment Program (CIP)

Finance Director Jan Hawn opened discussion of the City's revenue policies and funding alternatives for the General Fund and Capital Investment Program. Staff is not requesting Council direction tonight but wanted to provide this information before the upcoming budget retreat.

Jonathan Swift, Budget Manager, said the three primary revenue policy goals are stability, equity, and the future vision for the city. Stability refers to the revenue stream and is important in terms of providing core services despite economic fluctuations. Similarly, it is important to not use grants to fund ongoing services because continued service delivery will be jeopardized when funds are no longer available. Equity includes the principle that the tax burden should be equitably distributed among citizens as well as balancing progressive revenues against regressive revenues. Income taxes are generally thought of as a progressive revenue stream. Utility taxes are considered regressive because citizens pay the same rate regardless of income, and therefore lower income individuals pay a higher percentage of their income for the same level of service. Stability and equity are balanced with the future vision for the City, which guides policy and financial decisions in the present.

Compared to other cities, Bellevue has the lowest property tax rate of Washington cities with populations over 30,000. Bellevue's B&O tax rate is average, utility rates are generally lower, and the City does not charge a cable utility tax.

Mr. Swift said approximately \$18.6 million in revenue authority is available to the City in banked capacity, utility tax capacity, B&O tax capacity, one-time sales tax revenues, and the Rainy Day Reserve.

Responding to Mr. Lee, Mr. Swift said \$4.4 million is available in the Rainy Day Reserve.

Responding to Mayor Marshall, Ms. Hawn confirmed there will be an upcoming budget discussion on reserves. Ms. Balducci suggested a review of the LEOFF I reserve in light of health care costs that continue to increase. Mr. Chelminiak concurred. Mayor Marshall requested statistics for disability retirements versus service retirements.

Responding to Mr. Degginger, Mr. Oberg explained that the Rainy Day Reserve was established in 1984 with the intent of providing sufficient reserve funds to cover a two-year period in the event of a recession. The reserve level was set at five percent of the City's non-discretionary expenditure level, which is consistent with comparable cities.

Responding to Mr. Chelminiak, Dr. Davidson said the Rainy Day Reserve is structured to be utilized following a recommendation by the City Manager and Council approval.

Ms. Hawn noted the existence of the City's Rainy Day Reserve is viewed favorably by bond rating agencies.

(c) Bond Refunding for 1991 and 1994 Waterworks Utility Bonds

Ms. Hawn explained that staff continually reviews the City's debt portfolio to identify bonds eligible for refunding. Staff seeks Council authorization for the issuance and sale of Waterworks Utility revenue refunding bonds. The refunding bonds are scheduled to be competitively sold on July 29, and a special meeting is scheduled on July 29 for Council action.

Mayor Marshall noted Council support of the bond refunding and thanked staff for their monitoring of the debt portfolio. Responding to Mr. Noble, Ms. Hawn confirmed the bonds recently became eligible for refunding.

(d) Crossroads Community Center Expansion Update

Parks and Community Services Director Patrick Foran opened discussion regarding the expansion of Crossroads Community Center. He thanked State Representative Ross Hunter for his role in securing a \$500,000 grant through the state legislature for this project. Mr. Foran said the park is heavily used by the community and has experienced a series of improvements over the past five years.

Glenn Kost, Planning/Design Manager, recalled Council approval in 1994 to acquire additional property along the east side of Crossroads Park to expand the park and enhance its visibility to the community. In 1997, 5.5 acres along NE 8<sup>th</sup> Street were acquired by the City. The updated master plan was adopted in 1998, and CIP funding was approved to fund portions of the plan.

Pam Fehrman, Project Manager, reviewed park improvements during the past few years. The first major construction phase occurred in 2001 and added a plaza, restrooms, children's play area, grass field, and parking facilities. The golf course and club house were renovated in 2002 and 2003, and an expanded playground was added in 2003 through NEP (Neighborhood Enhancement Program) funding. Improvements continued along NE 8<sup>th</sup> Street into 2004 with the addition of a picnic shelter. A skate court and water play area are planned for 2005 and beyond.

The Community Center is currently 16,000 square feet and will be expanded by 3,000-4,000 square feet. Programs are available for all ages, and meetings rooms are available for public use. Ms. Fehrman described public outreach activities to identify the best use of expansion space. Programming and building needs include: 1) a large, multi-use space, 2) storage, 3) improved layout and pedestrian circulation throughout the center, and 4) better use of existing spaces. She presented the following project time line:

- Summer 2004 – Design development
- 2004/2005 – Construction documents and permitting
- Spring/Summer 2005 – Construction, and



- Fall 2005 – Grand Opening.

Councilmembers expressed support for the project. Mr. Kost reminded them of the Rotary's financial contribution for the water play area to be developed.

3. Council Business [Regular Session Agenda Item 6]

Deputy Mayor Noble invited Councilmembers to the Bridle Trails State Park Foundation picnic on July 10.

Dr. Davidson attended meetings of a Shared Strategies subcommittee and the WRIA 8 Steering Committee, both of which deal with water and salmon habitat issues.

Mr. Chelminiak attended the 4<sup>th</sup> of July celebration in Downtown Park.

Mr. Degginger continues to work on Cascade Water Alliance issues.

Mayor Marshall attended a Bellevue Art Museum event to meet the new executive director and chief curator, Michael W. Monroe. She welcomed Whole Foods to the community.

At 7:50 p.m., Mayor Marshall declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

kaw

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

July 6, 2004  
8:00 p.m.

Council Chambers  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee<sup>1</sup>

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:00 p.m. by Mayor Marshall, who presided.

2. Roll Call, Flag Salute

Upon roll call by the City Clerk, all Councilmembers except Mr. Lee<sup>1</sup> were present. Councilmember Balducci led the flag salute.

(a) Harborview Medical Center – Upcoming Construction

John Sothern, Harborview Medical Center Board of Trustees, thanked Council for the opportunity to speak and introduced David Jaffe, Executive Director; Johnese Spisso, Chief Operating Officer; and A.J. Culver and Scott Wallace, Board of Trustees.

Mr. Jaffe explained that Harborview Medical Center is owned by King County and managed by the University of Washington. The hospital's mission is to provide a regional safety net for the county by serving those in need including persons incarcerated in the King County Jail, mentally ill patients, indigents without third-party insurance coverage, non-English speaking poor, and victims of domestic violence and sexual assault. Harborview Medical Center, the only Level 1 trauma facility in the state, covers the four-state region of Washington, Alaska, Montana, and Idaho.

Ms. Spisso said Harborview Medical Center and the state's cooperative hospital trauma system have reduced the preventable trauma-related death rate in Washington state to less than two

---

<sup>1</sup> Mr. Lee arrived during Agenda Item 9.

percent compared to nearly 25 percent just 15 years ago. Voters approved a bond issue in 2000 for seismic upgrades to the hospital and to add 50 critically needed beds. Ms. Spisso noted Harborview is also the largest provider of mental health care in the state. Expansion to add the new beds will be completed in 2008, and the full institutional master plan will be completed by 2010.

Mayor Marshall thanked the Harborview representatives for their presentation.

(b) 2004 Diversity Champion Award – Association of Washington Cities

Patrick Foran, Parks and Community Services Director, announced the City's receipt of the Association of Washington Cities Diversity Champion Award for the Latino Hispanic Celebration held in September 2003. He acknowledged the involvement of the Eastside Latino Leadership Forum, Bellevue Police Department, Planning and Community Development Department, and the Parks and Community Services Department in organizing the event.

Mayor Marshall thanked Mr. Foran and Diversity Program Coordinator Kevin Henry for their work.

3. Communications: Written and Oral

- (a) Peter Maxim commented on a proposal to allow skybridges in specific downtown locations. He is concerned about the apparent focus on utilitarian bridges and encouraged the City to ensure attractive designs.
- (b) Kathy Putt, Comcast, encouraged Council to adopt Resolution No. 7040 [Agenda Item 11(a)] and thanked David Kerr, Franchise Manager, for his hard work on behalf of the City.
- (c) Dick Morris, Sunset Community Association, encouraged careful coordination of several projects, including a gateway project in the vicinity of SE 16<sup>th</sup> Street, 145<sup>th</sup> Place SE, and Kamber Road.

4. Reports of Community Councils, Boards and Commissions: None.

5. Report of the City Manager: None.

6. Council Business

[Reported during Study Session.]

7. Approval of the Agenda

- ☛ Deputy Mayor Noble moved to approve the agenda, and Dr. Davidson seconded the motion.

- ➡ The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- ➡ Dr. Davidson moved to approve the Consent Calendar, and Mr. Noble seconded the motion.

- ➡ The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Minutes of June 7, 2004 Study Session  
Minutes of June 14, 2004 Extended Study Session
- (b) Resolution No. 7033 authorizing a revision to the Interlocal Agreement relating to the Hazardous Materials Response Unit and Teams to add the City of Snoqualmie and King County Fire District #27.
- (c) Motion to reject all bids for Bid No. 0423 for the construction of the restroom building at Bellevue Downtown Park and to modify the project scope and re-bid the project at a later date.
- (d) Settlement agreement with Entranco, inc.
  - (1) Resolution No. 7034 authorizing execution of a settlement agreement with Entranco, Inc., to provide construction inspection services at no cost to the City and close out existing service contracts without additional compensation for the Factoria Boulevard Improvement Project. (CIP Plan No. PW-R-116)
  - (2) Resolution No. 7035 authorizing execution of a consultant agreement with Entranco, Inc., to provide construction inspection services at no cost to the City for the construction of roadway improvements for the NE 29<sup>th</sup> Place Connection. (CIP Plan No. PW-R-60)
- (e) Resolution No. 7036 authorizing execution of an amendment to the professional services agreement for engineering services with W&H Pacific for the design of the 2005 Street Overlay Program.
- (f) Resolution No. 7037 authorizing execution of an agreement with King County Department of Transportation for Commute Trip Reduction (CTR) implementation services.
- (g) Resolution No. 7038 authorizing execution of an agreement with the Washington State Department of Transportation (WSDOT) for the Downtown Bellevue I-405 Alternatives Analysis. *(Council adopted Ordinance No. 5520 on May 3, 2004, to authorize acceptance of federal grant funding for this project.)*

- (h) Resolution No. 7039 authorizing execution of an amendment to the professional services agreement for the Meydenbauer Reservoir Replacement project with MWH America's Inc., for additional engineering services in the amount of \$63,000. (CIP Plan No. W-85)

9. Public Hearings

- (a) Second Public Hearing on the 2005-2006 Budget and 2005-2011 Capital Investment Program (CIP) Plan

Finance Director Jan Hawn introduced the second public hearing on the 2005-2006 budget and the 2005-2011 Capital Investment Program (CIP) Plan. Although state law requires one hearing, the City is holding three public hearings to provide ample opportunity for public input. The third public hearing is scheduled for November 15.

- ➡ Deputy Mayor Noble moved to open the public hearing, and Mr. Chelminiak seconded the motion.
- ➡ The motion to open the public hearing carried by a vote of 6-0.
- (1) Shannon Boldizsar, Bellevue Chamber of Commerce, spoke on behalf of the Chamber and Bellevue Downtown Association. She urged Council to maintain its focus on transportation as a high priority and expressed concern about discussions last week regarding the potential deferral of some projects. Referring to increasing health insurance and workers' compensation insurance costs, Ms. Boldizsar encouraged Council to look internally for ways to cover these expenditures and to avoid tax or fee increases. Ms. Boldizsar encouraged Council to keep Bellevue "business friendly" by keeping taxes low.
- ➡ Deputy Mayor Noble moved to close the public hearing, and Ms. Balducci seconded the motion.
- ➡ The motion to close the public hearing carried by a vote of 7-0.

10. Land Use

- (a) Application of Franklin West LLC for a rezone amending the existing Concomitant Agreement for Kelsey Creek Center to allow health club uses of less than 5,000 square feet. (File No. 03-131400-LQ)  
*(Item discussed during Council's June 21, 2004, Study Session.)*

Ordinance No. 5534 approving the rezone application of Franklin West, LLC (Kelsey Creek Center) by amendment of the 1987 Concomitant Agreement No. 12967 adopted by Ordinance No. 3835 to allow health club uses of less than 5,000 square feet.

Ann Rennick, Associate Planner, described a rezone application to amend the Concomitant Agreement for Kelsey Creek Center to allow health club uses of less than 5,000 square feet. Health club uses are currently not allowed.

- ➡ Dr. Davidson moved to adopt Ordinance No. 5534, and Mr. Noble seconded the motion.
- ➡ The motion to adopt Ordinance No. 5534 carried by a vote of 7-0.
- (b) Application of Overlake Hospital Medical Center for the rezone of five parcels from Office Limited Business (OLB) to Institutional District (I), File No. 04-104728-LQ.

Ordinance No. 5535 approving the rezone applications of Overlake Hospital Medical Center and the City of Bellevue to rezone property located at 1041, 1031, 1011, 849, and 825 116<sup>th</sup> Avenue NE from Office Limited Business (OLB) to Institutional District (I).

Mayor Marshall recused herself from participating in this discussion and decision, noting that her husband is the medical director for Overlake Hospital Medical Center's emergency department. She transferred the gavel to Deputy Mayor Noble and left Council Chambers. Mr. Noble recalled Council discussion of this item during the June 21 Study Session.

Carol Saari, Associate Planner, described the application of Overlake Hospital Medical Center to rezone five parcels (2.1 acres) along 116<sup>th</sup> Avenue NE from Office Limited Business (OLB) to Institutional District (I) in accordance with the hospital's 1999 Master Plan.

- ➡ Mr. Degginger moved to adopt Ordinance No. 5535, and Dr. Davidson seconded the motion.
- ➡ The motion to adopt Ordinance No. 5535 carried by a vote of 6-0, with Mayor Marshall having stepped down.

#### 11. Other Ordinances, Resolutions and Motions

- (a) Resolution No. 7040 granting a non-exclusive cable television franchise to Comcast of Bellevue, Inc., to construct, operate, and maintain a cable communications system in the City of Bellevue, and setting forth conditions accompanying the grant of franchise.

Mayor Marshall assumed the gavel.

David Kerr, Franchise Manager, summarized that Comcast supports the negotiated franchise agreement. Councilmember Balducci thanked staff for their hard work in putting together this complex agreement.

- ➡ Deputy Mayor Noble moved to approve Resolution No. 7040, and Mr. Lee seconded the motion.
- ➡ The motion to approve Resolution No. 7040 carried by a vote of 7-0.
- (b) Ordinance No. 5524 regarding the Transportation Improvement Program (TIP); adopting the 2004-2015 Transportation Facilities Plan; and amending the Impact Fee Project List.

Eric Miller, Transportation Capital Programming Manager, requested Council approval of the 2004-2015 Transportation Facilities Plan (TFP) and the Impact Fee Project List. The Impact Fee Schedule will be brought before Council within the next six months for separate consideration and approval. Mr. Miller recalled previous updates to Council on the TFP and Impact Fee Project List. The Transportation Commission recommends adoption of the TFP and project list. Mr. Miller responded to brief questions of clarification.

- ➡ Deputy Mayor Noble moved to adopt Ordinance No. 5524, and Mr. Lee seconded the motion.
- ➡ The motion to adopt Ordinance No. 5524 carried by a vote of 7-0.
- 12. Unfinished Business: None.
- 13. Continued Oral Communications: None.
- 14. New Business: None.
- 15. Executive Session: None.
- 16. Adjournment

At 8:40 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

kaw

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

July 12, 2004  
6:00 p.m.

Conference Room 3 A/B  
Bellevue, Washington

PRESENT: Deputy Mayor Noble and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: Mayor Marshall

1. Executive Session

At 6:03 p.m., Deputy Mayor Noble opened the meeting and announced recess to Executive Session for approximately 2 hours to discuss three items related to litigation.

Deputy Mayor Noble declared the meeting adjourned at 7:52 p.m.

Myrna L. Basich  
City Clerk

kaw



**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT**

Motion to approve payment of claims for the period June 26, 2004 through July 16, 2004 and payroll for the period June 16, 2004 through June 30, 2004.

**FISCAL IMPACT**

Approval of payment:

<u>Claims Warrant Numbers,</u>	
<u>including settlements</u>	
<u>of damage claims</u>	<u>Amounts</u>
00107043 – 00107970	\$5,457,130.87
 <u>Direct Deposit &amp;</u>	
<u>Payroll Warrant Numbers</u>	<u>Amounts</u>
3176 – 3192	
00055702 – 00055991	\$3,949,765.15

**STAFF CONTACT**

Earle Stuard (425)452-6894

**POLICY CONSIDERATION**

All claims presented against the City by persons furnishing materials, rendering services, or performing labor must be audited and certified by an auditing officer that the materials have been furnished or the labor performed as described, and that the claims are just, due and unpaid obligations against the City, before payment can be made, as required by RCW 42.24.080 and RCW 42.24.090. Bellevue City Code Chapter 4.40, Audit of Claims section, further provides that all claim vouchers be audited and certified by the City Council Auditor. Settlement of damage claims must also be audited by the City Council Auditor, Bellevue City Code 4.36.030.

**BACKGROUND**

Robert Morseburg, the Council Auditor, has submitted the audit report for the above claims and has found no exceptions, and Earle Stuard, Assistant Finance Director, has certified that the payroll is true and correct to the best of his knowledge.

**EFFECTIVE DATE**

If approved, this motion becomes effective immediately upon Council adoption.

### **OPTIONS**

1. Accept the motion to approve payment of claims for the period June 26, 2004 through July 16, 2004 and payroll for the period June 16, 2004 through June 30, 2004.
2. Refer the report to Staff for further clarification.

### **RECOMMENDATION**

Accept option 1.

### **MOTION**

I move to approve payment of claims for the period June 26, 2004 through July 16, 2004 and payroll for the period June 16, 2004 through June 30, 2004. .

### **ATTACHMENTS**

**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT**

Resolution No. 7042 authorizing the City Manager to enter into an agreement with Berkley Risk Administrators Company LLC to provide workers' compensation claims administration services.

**FISCAL IMPACT**

The total cost of this professional services agreement is:

Initial contract period:	
August 1, 2004 – December 31, 2005	\$68,567
1 <sup>st</sup> contract extension, at City's option:	
January 1, 2006 – December 31, 2006	50,820
2 <sup>nd</sup> contract extension, at City's option:	
January 1, 2007 – December 31, 2007	<u>53,361</u>
Total	\$178,500

The Workers' Compensation budget is sufficient to address the costs noted.

**STAFF CONTACT**

Jan Hawn, Finance Director, 452-6846  
 Earle Stuard, Assistant Finance Director, 452-6894  
 Joanne Nicolai, Risk Manager, 452-2011

**POLICY CONSIDERATION**

Should the City Manager be authorized to enter into an agreement for workers' compensation claims administration services?

**BACKGROUND**

Since 1977, the City of Bellevue has been a self-insured employer under the industrial insurance provisions of Title 51 RCW. The City uses the services of a Third Party Administrator (TPA) to administer claims in accordance with the requirements of WAC 296-15 and to provide loss control services. In May 2004, the Finance Department issued a Request for Proposals (RFP) for Workers' Compensation Claims Administration Services. The scope of work includes: administer all open, all newly filed, and all reopened worker compensation claims; review bills submitted for payment to assure compliance with L & I rates; issue claim payments to injured workers and pay expenses; coordinate modified work programs; provide monthly claim reviews; maintain a computerized data system on City claims that seamlessly transfers data via downloads to the City's Risk Management Information System (RMIS); provide weekly site visits to City locations to meet with injured City employees or, in the case

of incapacity, meet with the injured worker at a mutually convenient place, for claim in-take and review; obtain and coordinate claim investigations, vocational consultant reviews, medical case manager services, and legal representation as needed and approved by the City; provide reports and training as needed. The evaluation factors identified in the RFP were:

- Computer skills, record management, system compatibility
- Claims examiner's municipal experience
- Reporting, statistical analysis capabilities and system flexibility
- Proximity to Bellevue
- Ability to meet City's reporting process
- Budget

Responses were received in late May and evaluated in early June. Five firms submitted proposals, and from them Berkley Risk Administrators Company LLC was determined to have the skills that most closely matched the needs of the City and received the highest score in applying the evaluation criteria noted in the RFP.

Berkley Risk Administrators Company LLC, with offices in Tukwila, maintains data and a reporting system that seamlessly downloads into the City's RMIS; the company has the greatest amount of worker compensation claims experience for the manager and adjuster assigned to our account of all the firms responding to the RFP; they will meet with staff weekly for claim intake and review and will provide on-line access to their data base for every City claim at no additional charge to the City to address claim monitoring and reporting; and their cost for the service was substantially less than the other vendors.

#### **EFFECTIVE DATE**

If adopted, this Resolution will be effective August 1, 2004.

#### **OPTIONS**

1. Adopt Resolution No. 7042 authorizing the City Manager to enter into an agreement with Berkley Risk Administrators Company LLC to provide workers' compensation claims administration services.
2. Do not adopt the Resolution No. 7042 and provide alternative direction to staff.

#### **RECOMMENDATION**

Adopt Resolution No. 7042 authorizing the City Manager to enter into an agreement with Berkley Risk Administrators Company LLC to provide workers' compensation claims administration services.

#### **MOTION**

Move to adopt Resolution No. 7042 authorizing the City Manager to enter into an agreement with Berkley Risk Administrators Company LLC to provide workers' compensation claims administration services.

**ATTACHMENTS**

Proposed Resolution No. 7042

**AVAILABLE IN COUNCIL OFFICE**

Proposed Agreement

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7042

A RESOLUTION authorizing the City Manager or his designee to enter into an agreement with Berkley Risk Administrators Company, LLC to provide workers' compensation claims administration services.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute, on behalf of the City of Bellevue an agreement with Berkley Risk Administrators Company, LLC to provide workers' compensation claims administration services, a copy of which agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004, and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT**

Resolution No. 7043 authorizing the City Manager to enter into an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services.

**FISCAL IMPACT**

The total cost of this professional services agreement is:

Initial contract period:		
August 1, 2004 – December 31, 2005		\$56,666
1 <sup>st</sup> contract extension, at City's option:		
January 1, 2006 – December 31, 2006		40,000
2 <sup>nd</sup> contract extension, at City's option:		
January 1, 2007 – December 31, 2007		<u>40,000</u>
Total		\$136,666

The General Self-Insurance budget is sufficient to address the costs noted.

**STAFF CONTACT**

Jan Hawn, Finance Director, 452-6846  
 Earle Stuard, Assistant Finance Director, 452-6894  
 Joanne Nicolai, Risk Manager, 452-2011

**POLICY CONSIDERATION**

Should the City Manager be authorized to enter into an agreement for liability claims adjustment services?

**BACKGROUND**

The Finance Department, Risk Management Division, manages the City's self-insurance program and uses an outside adjustment service to represent and act for the City in addressing third party liability claims as assigned. In addition to adjusting delegated claims, primarily due to City staff workload constraints, the vendor must be available on a 24-hour basis to address after-hour events that damage private property. In May 2004, the Finance Department issued a Request for Proposals (RFP) for Liability Claims Adjustment Services. The evaluation factors identified in the RFP were:

- Adjuster response time; proximity to Bellevue
- Emergency response capabilities
- Familiarity with Bellevue vicinity
- Reporting capabilities and style
- Prior public entity association and experience
- Communication skills
- Emergency response capabilities
- Budget

Responses were received in late May and evaluated in early June. Six firms submitted proposals that were reviewed by a four person panel using the evaluation criteria set forth in the RFP. Two local firms were selected for further review by the panel via structured interviews to address questions that arose in reviewing their responses to the RFPs, to meet the adjuster(s) that would be assigned to our account, and to elaborate on their firm's capabilities, claims processing, data base and information processing and fee structures. References were checked by panel members following the interviewing process to validate information and satisfaction with the services provided. Concurrence was obtained from the panel members that Evergreen Adjustment Service, Inc. has the skills that most closely matched the needs of the City and should be selected as the contractor.

Evergreen Adjustment Service, Inc., a local women-owned firm, has provided liability adjustment services in the State of Washington for 26 years, specializing in providing services to municipalities for 10 years. They currently handle claims for over 100 cities and for 352 government agencies in Washington State, maintaining the lowest case load of any of the responding vendors. They provide 24 hour service, reporting to the scene immediately if needed, even under extreme weather conditions. Their customer service is rated as outstanding by their clients, who list as their strengths their ability to work with people (who are citizens of their city) in a thorough and reasonable manner while protecting the city's assets.

#### **EFFECTIVE DATE**

If adopted, this Resolution will be effective August 1, 2004.

#### **OPTIONS**

1. Adopt Resolution No. 7043 authorizing the City Manager to enter into an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services.
2. Do not adopt the Resolution No. 7043 and provide alternative direction to staff.

#### **RECOMMENDATION**

Adopt Resolution No. 7043 authorizing the City Manager to enter into an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services.

#### **MOTION**

Move to adopt Resolution No. 7043 authorizing the City Manager to enter into an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services.

#### **ATTACHMENTS**

Proposed Resolution No. 7043

#### **AVAILABLE IN COUNCIL OFFICE**

Proposed Agreement



CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7043

A RESOLUTION authorizing the City Manager or his designee to enter into an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute, on behalf of the City of Bellevue, an agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services, a copy of which agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004, and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution No. 7044, authorizing the City Manager to execute a contract with Ronald Seng for Fire Department Capital Improvement Program (CIP) project management services in an amount not to exceed \$60,000 for a two year period, with an option to renew the contract for one two year period for an additional \$60,000.

### **FISCAL IMPACT**

Signing this contract will obligate the City to pay up to \$60,000 over a two year period for CIP project management services. In addition, the City has an option to renew the contract for one two year period for an additional \$60,000. The assistance required will be based on the budgetary funding available and exact scope of renovation projects to be completed within the next two years. The total potential value of the contract is \$120,000. Sufficient funding currently exists within the Renovation of Public Safety Facilities (CIP Plan No. PS-16) project budget to pay for these services.

### **STAFF CONTACT**

Mike Eisner, Deputy Chief	452-6896
Chris Copland, Captain	452-7836

### **POLICY CONSIDERATION**

The City contracts for professional services when it is cost-effective, the work requires specialized expertise, and /or there are other factors that render it impractical for City Staff to perform the work. The proposed contract is consistent with this policy and the city's contracting and purchasing practices.

### **BACKGROUND**

The Fire Department is responsible for the repair and maintenance of all fire department facilities, which include nine fire stations, and the public safety training center. These facilities represent approximately \$45 million dollars in assessed valuation. Funding for the maintenance and renovation of the facilities is provided through the Capital Improvements Program (CIP) PS-16, Renovation of Public Safety Facilities project. Current funding for the project is approximately \$600,000 per year.

This action is needed to provide the Fire Department with much needed capital project management assistance for the various capital improvement/renovations projects funded out of the Renovation of Public Safety Facilities project. Over the next two years, the Department plans on completing the follow list of projects out of the Renovation of Public Safety Facilities:

- Installation of new HVAC system at Fire Station 1;

- Installations of new roofs at Fire Stations 1 and 3;
- Apparatus bay expansion at Fire Station 6;
- Design new fencing, hazardous tree removal plan on Fire Station 9 property (does not fall under contract recently approved by City Council for tree removal services brought forward by Utilities Department) and retain contractors to construct same.
- Installation of new interior lighting system for Fire Station 2 apparatus bay; and,
- Installation of new interior lighting and ceiling tile replacement at the Public Safety Training Center.

The Fire Department lacks the staffing and expertise to manage this type of construction project. Specifically the Department needs assistance in:

- Retaining architects, engineers and other private consultants to design various facility improvements;
- Applying and obtaining necessary Land Use and/or Building Permits as required for each renovation project;
- Developing bids specifications for proposed projects;
- On-site monitoring of construction progress;
- Observing any required tests of the installed work;
- Determining contractors' conformance with project plans and specifications; and
- Making final inspection and acceptance of the contract work.

The proposed contractor was selected via an open and competitive process as outlined in the City's new contracting policies. The Fire Department opted to utilize the Parks Department's existing consultant roster because the Parks Department has hired project managers to oversee similar types of projects. Five (5) consultants were selected off of the roster based on qualifications submitted during a Request for Qualifications (RFQ) process. Four (4) of the five (5) consultants accepted the City's offer to interview for this project. Representatives from the Fire Department and Finance Department interviewed the consultants in late May. The Fire Department worked with the Finance Department to establish criteria to evaluate the potential vendors experience, qualifications, availability, and cost. The successful candidate was chosen based on this criteria.

**EFFECTIVE DATE:**

If approved, this resolution will become effective immediately.

**OPTIONS:**

1. Adopt Resolution No. 7044 authorizing the City Manager to execute a contract with Ronald Seng for Fire Department Capital Improvement Program (CIP) project management services in an amount not to exceed \$60,000 for a two year period, with an option to renew the contract for one two year period for an additional \$60,000.
2. Reject Resolution No. 7044 and provide alternative direction to staff.

**RECOMMENDATION:**

Adopt Resolution No. 7044 authorizing the City Manager or designee to execute a contract with Ronald Seng for Fire Department Capital Improvement Program (CIP) project management services in an amount not to exceed \$60,000 for a two year period, with an option to renew the contract for one two year period for an additional \$60,000.

**MOTION:**

Move to adopt Resolution No. 7044 authorizing the City Manager or designee to execute a contract with Ronald Seng for Fire Department Capital Improvement Program (CIP) project management services in an amount not to exceed \$60,000 for a two year period, with an option to renew the contract for one two year period for an additional \$60,000.

**ATTACHMENT:**

Proposed Resolution No. 7044  
CIP Project Description

**AVAILABLE IN COUNCIL OFFICE:**

Copy of proposed professional service contract.

## 2003-2009 Adopted CIP: Public Safety

**CIP PLAN NUMBER:** PS-16**CIP FUND/PROJECT NUMBER:** 3680-910**PROJECT NAME:** Renovation of Public Safety Facilities**PROJECT LOCATION:** Nine Fire Stations and the Public Safety Training Center**DEPT/PROGRAM:** Fire/All Programs  
Police/All Programs**STATUS:** Ongoing**ACTUAL/ESTIMATED START DATE:** Ongoing**ESTIMATED COMPLETION DATE:** Ongoing**PROJECT DESCRIPTION/SCOPE:** This project provides funds for major repairs, renovation, and/or upgrades required at all Fire Stations and the Public Safety Training Center which are not otherwise of sufficient magnitude to warrant a separate capital investment project.

The Fire Department has 10 facilities to maintain with unique and special conditions required to operate these facilities 24 hours a day. Proactive planning and management of facility maintenance and renovation will avoid last minute fixes, extend the life of the facilities, and keep them in the condition expected by the community.

**PROJECT JUSTIFICATION/BENEFITS:** This project will address needed improvements and safety issues in all fire stations and the public safety training center. The project has been established in response to the high priority the City has placed on maintaining current facilities in a safe and responsible manner, and providing for the most effective and efficient use of the facilities. The repairs and improvements accomplished through this project will maintain and enhance the condition of City facilities and preserve the City's capital investment in its buildings.

**ENVIRONMENTAL IMPACTS:** Renovation and refurbishment projects are generally exempt from the State Environmental Protection Act (SEPA).

**CHANGES TO PREVIOUSLY APPROVED CIP PROJECT DESCRIPTION:**

**Capital Cost/Revenue:** Project cost and revenue have increased by \$1,035,000 to reflect continued project funding in 2008-2009. This amount is net of a \$372,000 reduction in response to a lower overall funding level in the CIP. Project costs are consistent with the department's comprehensive 10-year facilities maintenance schedule, which has been adjusted to reflect the relocation of the Communications Center and Fire Headquarters to a new facility.

**PROJECT BUDGET:**

\$000

	Through 2002	2003	2004	2005	2006	2007	2008	2009	2003-2009 Total	Project Total
<b>TOTAL CAPITAL COST:</b>	<b>2,293</b>	<b>467</b>	<b>556</b>	<b>547</b>	<b>591</b>	<b>620</b>	<b>588</b>	<b>613</b>	<b>3,982</b>	<b>6,275</b>
<b>REVENUE:</b>										
Contract Cities Contrib	139	101	101	101	101	103	103	103	713	852
Sale of Fixed Assets	27									27
1981 PS Bond Issue	305									305
Gen CIP Revenue	1,822	366	455	446	490	517	485	510	3,269	5,091
<b>TOTAL REVENUE</b>	<b>2,293</b>	<b>467</b>	<b>556</b>	<b>547</b>	<b>591</b>	<b>620</b>	<b>588</b>	<b>613</b>	<b>3,982</b>	<b>6,275</b>
<b>M&amp;O COSTS:</b>										

**Capital Costs Beyond 2009:** Ongoing

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7044

A RESOLUTION authorizing execution of a professional services agreement with one potential two-year renewal with Landscape Architect Ronald Seng in a bi-annual amount not to exceed \$60,000.00 for Fire Department Capital Improvement Program project management services.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is authorized to execute a professional services agreement with one potential two-year renewal with Landscape Architect Ronald Seng in a bi-annual amount not to exceed \$60,000.00 for Fire Department Capital Improvement Program project management services, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT:**

Motion to award Bid No. 0437, CIP Project No. PW-M-7, 168<sup>th</sup> Ave SE & SE 14<sup>th</sup> Street Traffic Calming Project, to Road Construction NW, Inc., as low bidder. This project will include construction of four raised crosswalks with sidewalk and curb ramps, one elongated speed hump, and one stationary radar sign to reduce vehicle speeds.

### **FISCAL IMPACT:**

Awarding this bid will obligate the City to \$97,534.00 for construction of traffic calming on 168<sup>th</sup> Ave SE and SE 14<sup>th</sup> Street. This amount is 2% below the Engineer's Estimate. This contract is fully funded by the Neighborhood Traffic Calming Program (CIP Plan No. PW-M-7). Sufficient budget exists to complete this project.

### **STAFF CONTACT:**

Goran Sparrman, 452-4338 / Karen Gonzalez, 452-4598 / Linda Glas, 452-2841

### **POLICY CONSIDERATION:**

As evidenced by the 168<sup>th</sup> Ave SE & SE 14<sup>th</sup> St Traffic Committee, neighborhood preservation is a high priority issue. The Transportation section of the Comprehensive Plan addresses this issue and specifically identifies preserving the safety of residential streets and the livability of residential neighborhoods. Although speeding is not addressed directly in the Comprehensive Plan, it is certainly a major component of the safety and livability of our neighborhood streets and is a frequently registered complaint from Bellevue residents.

This project is intended to address quality of life issues through the mitigation of traffic speeds on neighborhood streets. This project has been through an extensive public involvement process; however, it does not necessarily follow that there is not opposition to the project. As Council is aware, even projects that are providing an improved quality of life on neighborhood streets can be met with some resistance.

### **BACKGROUND:**

In the fall of 2001, City staff worked with the 168<sup>th</sup> Ave SE & SE 14<sup>th</sup> Street community to address vehicle speeds by placing the radar trailer on these streets and increasing enforcement. Unfortunately, the results of these efforts did not successfully reduce vehicle speeds to an acceptable level.

A survey was sent to the 168<sup>th</sup> Ave SE & SE 14<sup>th</sup> St community in February 2003, and a Traffic Committee comprised of volunteers from the community was formed. This committee worked with City staff to develop a Traffic Calming Plan. The balloting process occurred in November/December 2003, and 66% of residents who returned their ballots voted to approve the project, which is greater than the required 65% support for the plan. The return rate of surveys was approximately 75%.

The balloting process for this project was questioned by some Traffic Committee members who opposed the project. The balloting process has since been modified and approved by Council for future traffic calming projects.

This project will be funded by the Neighborhood Traffic Calming Program.

**BID INFORMATION:**

Bids were opened July 13, 2004, as follows:

<b>Engineer's Estimate</b>	<b>\$ 99,671.40</b>
Road Construction NW, Inc.	\$ 97,534.00
Precision Earthworths, Inc.	\$117,450.00
Dennis R. Craig Construction, Inc.	\$118,342.50
Kemper Construction Corp.	\$123,017.00

The low bidder was Road Construction NW, Inc.

To the best of our knowledge and professional judgment, all factors that normally contribute to construction expenses have been accounted for in the plans, specifications and estimates. Based upon our experience, projects of this type may result in some field changes. All claims are rigorously reviewed, and only those that are clearly necessary to accomplish the intent of the contract but have somehow not been provided for will be paid.

**EFFECTIVE DATE:**

If adopted, this Motion becomes effective immediately upon adoption.

**OPTIONS:**

1. Award the bid to the low bidder.
2. Award the bid to the next lowest bidder if the low bidder is not responsive.
3. Reject all bids and provide alternate direction to staff.

**RECOMMENDATION:**

Award Bid Number 0437 to Road Construction NW, Inc. as the low bidder. They are qualified to perform this work and are willing to do so.

**MOTION:**

Move to award Bid Number 0437 to Road Construction NW, Inc. as the low bidder.

**ATTACHMENTS:**

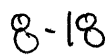
Neighborhood Traffic Calming Project Map  
Vicinity Map  
CIP Program Description

**AVAILABLE IN COUNCIL OFFICE:**

Final design drawings







## 2003-2009 Adopted CIP: Transportation – Maintenance/Minor Capital

CIP PLAN NUMBER: PW-M-7

CIP FUND/PROJECT NUMBER: 3680-675

PROJECT NAME: Neighborhood Traffic Calming Program

PROJECT LOCATION: Citywide

DEPT/PROGRAM: Transportation/Transportation Systems Operations

STATUS: Ongoing

ACTUAL/ESTIMATED START DATE: Ongoing

ESTIMATED COMPLETION DATE: Ongoing

**PROJECT DESCRIPTION/SCOPE:** This program funds minor capital improvements for neighborhood traffic calming projects throughout the City. These projects may include the use of physical measures such as speed humps, traffic circles, curb extensions and/or medians, in an effort to reduce vehicle speeds and nonlocal traffic and to improve nonmotorized safety.

**PROJECT JUSTIFICATION/BENEFITS:** The primary benefits of this investment are safety and protection of quality of life for neighborhoods. As traffic congestion increases on arterials, the potential for cut-through traffic and higher speeds on neighborhood streets increases. This program will focus on mitigating these impacts through neighborhood traffic plans to divert and/or slow traffic, improve nonmotorized safety, and protect neighborhood quality of life.

**ENVIRONMENTAL IMPACTS:** These projects are primarily safety oriented, so environmental issues are minimal and are addressed as appropriate on a location-by-location basis.

**CHANGES TO PREVIOUSLY APPROVED CIP PROJECT DESCRIPTION:**

**Capital Cost/Revenue:** Capital costs have increased \$750,000 to reflect continued funding in 2008 and 2009.

**PROJECT BUDGET:**

\$000

	Through 2002	2003	2004	2005	2006	2007	2008	2009	2003-2009 Total	Project Total
TOTAL CAPITAL COST:	1,575	510	375	375	375	375	375	375	2,760	4,335
REVENUE:										
Gen CIP Revenue	985									985
Transp Funding	550	510	375	375	375	375	375	375	2,760	3,310
WTSC Grants	18									18
Developer Contributions	20									20
Miscellaneous	2									2
TOTAL REVENUE	1,575	510	375	375	375	375	375	375	2,760	4,335
M&O COSTS:										

**Capital Costs Beyond 2009:** Ongoing project

**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT:**

Resolution No. 7045 authorizing the City Manager to execute a consultant agreement with HDR Engineering, Inc., to provide construction inspection services for the construction of 148<sup>th</sup> Avenue SE (CIP PW-R-117).

**FISCAL IMPACT:**

This action will obligate the city to a maximum of \$98,900.00 for construction inspection services to assist City senior construction project inspectors to complete construction of the 148<sup>th</sup> Avenue SE Roadway Project (CIP Plan No. PW-R-117). The standard cost of construction engineering is 8% to 12% of the construction contract costs, depending on the size and complexity of the project. This obligation for contract construction inspection for this project, when added to projected City staff costs, is 8.5% of the actual construction contract. Sufficient funding exists to fully fund this contract.

**Project Summary**

Project Category: Transportation Roadways  
 CIP Plan No: PW-R-117  
 Project Name: 148<sup>th</sup> Ave SE – SE 24<sup>th</sup> to SE 28<sup>th</sup>

	Current Project Budget	Actual/ Projected Expenditures	<i>This Action</i>	Projected Balance	Projected/Actual Completion Date
Phase I (Pre-Design)	\$0	\$0	\$0	\$0	N/A
Phase II (Design, Engineering)	1,058	1,137	0	(79)	Q2 - 2004
Phase III (Property Acquisition)	665	546	0	119	Q2 - 2004
Phase IV (Construction)	4,660	4,120	\$98	442	Q1 - 2005
Total	<b>\$6,383</b>	<b>\$5,803</b>	<b>\$98</b>	<b>\$482</b>	

The total projected cost of \$5,901,000 (including this action) assumes full expenditure of project contingencies. Reporting the contingencies in this manner illustrates the City's potential ultimate financial exposure on this project. The project budget will be amended and surplus funds will be reallocated to other CIP priorities through the adoption of the 2005 – 2011 Capital Investment Program budget.

**STAFF CONTACT:**

Goran Sparrman, 425-452-4338 / Dave Berg, 425-452-6468 / Dave Cieri, 415-452-2753 / Nancy LaCombe, 425-452-4382

**POLICY CONSIDERATION:**

Approval of the consultant agreement will provide adequate contract administration to verify that the 148<sup>th</sup> Avenue SE Roadway Project (PW-R-117) is constructed to required standards. It will provide adequate contract inspection to verify the quality of the environment is maintained,

adequate traffic control is provided, the project is completed safely, and only those items necessary to complete the work according to the contract are paid for.

The improvements are in keeping with the goal of the City's Comprehensive Plan Land Use Element to protect and enhance neighborhoods, and to maintain and enhance a quality physical environment.

### **BACKGROUND:**

Currently, the Capital Projects unit of the Transportation Department has four senior construction project inspectors who are assigned to CIP projects. With the recent departure of our LTE CIP construction inspector, the inspection staff will experience a short term workload issue due to the number of projects currently under contract and those planned to be awarded this construction session. On June 7, 2004, the City Council authorized the City Manager to execute a consultant agreement with KBA, Inc. to help fill the short term work issue due to the departure the LTE CIP construction inspector.

The short term work issues are mainly due to the following reasons:

- Three large construction projects (NE 29<sup>th</sup> Place, Cougar Mountain Way, and 148<sup>th</sup> Avenue SE) each requires full time construction inspection with one city inspector.
- The two remaining inspectors will provide inspection for the approximately sixteen (16) other construction projects throughout the city.

The inspectors' role is to ensure:

- Project documentation follows established city, state and federal standards,
- Contract requirements/specifications are achieved, and
- The work zone is safe for the workers and motorists.

The 148<sup>th</sup> Avenue SE improvements are planned to be constructed on an accelerated schedule in order to meet property owner commitments. This will require concentrated efforts in construction management due to multiple work crews, both day and night operations, and the complexity of working not only within a major arterial roadway, but in the proximity of the Bellevue Community College campus.

Because of these conditions, we supplement our existing construction staff with contract inspectors to perform the on-site construction inspection services. Working as a team, City staff and contract staff ensure the City's long term interests are protected, and that the City obtains the highest quality product at fair price. Due to the large number of construction projects that will require inspection, a consultant inspector will be needed to assist senior inspection staff on the 148<sup>th</sup> Avenue SE project.

Our 2003-2004 Consultant Roster has 38 firms listed that supply construction inspection support. Three qualified firms were chosen from this roster and asked to submit resumes of personnel they felt would meet the needs and demands of this project. Each individual was reviewed based on selection criteria related to experience in transportation related inspection.

The process used for selection is consistent with our established contracting policies and those set forth by the federal requirements for this project. We are confident that we have chosen an excellent addition to ensure that the expected City standards will be upheld as well as maintain the required federal, state and city documentation requirements.

**EFFECTIVE DATE:**

If adopted, this resolution becomes effective immediately upon adoption.

**OPTIONS:**

1. Adopt Resolution No. 7045 authorizing the City Manager to execute a consultant agreement with HDR Engineering, Inc., to provide construction inspection services for the construction of 148<sup>th</sup> Avenue SE (CIP PW-R-117).
2. Do not adopt Resolution No. 7045 and provide alternate direction to staff.

**RECOMMENDATION:**

Adopt Resolution No. 7045 authorizing the City Manager to execute a consultant agreement with HDR Engineering, Inc., to provide construction inspection services for the construction of 148<sup>th</sup> Avenue SE (CIP PW-R-117).

**MOTION:**

Move to adopt Resolution No. 7045 authorizing the City Manager to execute a consultant agreement with HDR Engineering, Inc., to provide construction inspection services for the construction of 148<sup>th</sup> Avenue SE (CIP PW-R-117).

**ATTACHMENTS:**

Vicinity Map  
CIP Project Description

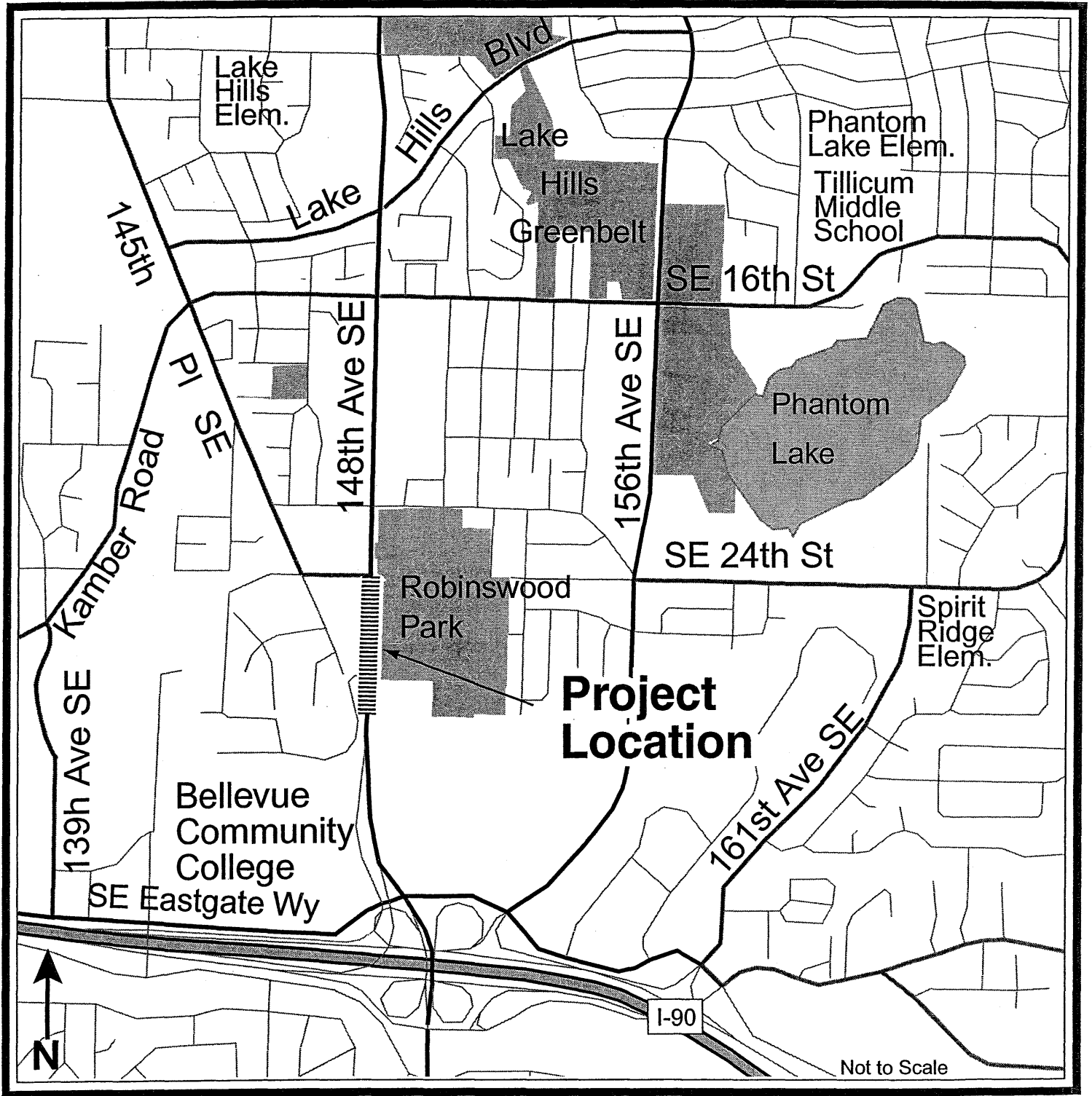
**AVAILABLE IN COUNCIL OFFICE:**

Construction Inspection Services Agreement

Vicinity Map:

# PW-R-117

## 148th Ave SE



# 2003-2009 Adopted CIP: Transportation-Roadways

## REVISED PROJECT DESCRIPTION EFFECTIVE 5/04

**CIP PLAN NUMBER:** PW-R-117

**PROJECT NUMBER:** 680097

**PROJECT NAME:** 148<sup>th</sup> Avenue SE Roadway Improvements

**PROJECT LOCATION:** 148<sup>th</sup> Avenue SE – SE 24<sup>th</sup> Street to SE 28<sup>th</sup> Street

**DEPT/PROGRAM:** Transportation/Transportation Improvements

**STATUS:** Approved and Begun

**ACTUAL/ESTIMATED START DATE:** 1999

**ESTIMATED COMPLETION DATE:** 2004

**PROJECT DESCRIPTION/SCOPE:** This project will add one southbound lane on 148<sup>th</sup> Avenue SE from the merge lane at SE 24<sup>th</sup> Street to the westbound I-90 on ramp. The new lane will serve as a dedicated entrance lane to the I-90 on ramp, while the first interior southbound lane will provide access to both 148<sup>th</sup> Avenue SE and the I-90 westbound on ramp. Landerholm Circle will remain open to allow right turn movements from southbound 148<sup>th</sup> Avenue SE into BCC and left turn movements out of BCC to northbound 148<sup>th</sup>. Left turns into Landerholm Circle from northbound 148<sup>th</sup> will be prohibited. The fourth leg to the 148<sup>th</sup> Avenue SE/SE 28<sup>th</sup> Street intersection will be completed allowing left turn movements into BCC from northbound 148<sup>th</sup> and right turn movements to southbound 148<sup>th</sup>. Pedestrian and bicycle facilities will be added or reconstructed. This project will be constructed in conjunction with PW-R-144 – SE 28<sup>th</sup> Street Extension/BCC Parking Lot No. 7 Modifications.

**PROJECT JUSTIFICATION/BENEFITS:** The primary benefit of this project is to increase capacity through the heavily traveled 148th Avenue SE corridor leading to the freeway system. This project is identified in the East Bellevue Transportation Study (1992) and will contribute to capacity improvements in the Eastgate Mobility Management Area necessary to maintain adopted level-of-service standards.

**ENVIRONMENTAL IMPACTS:** An environmental determination will be made in conjunction with preliminary design of this project.

### CHANGES TO PREVIOUSLY APPROVED CIP PROJECT DESCRIPTION:

**Capital Cost/Revenue:** Decreased by \$500,000 to reflect transferring surplus TEA-21 funds to PW-R-148.

### PROJECT BUDGET:

\$000

	Through								2003-2009	Project
	2002	2003	2004	2005	2006	2007	2008	2009	Total	Total
TOTAL CAPITAL COST:	1,102	1,945	3,336						5,281	6,383
REVENUE:										
TEA-21 Grant			318						318	318
ISTEA Grant			1,289						1,289	1,289
TIB Grant			1,400						1,400	1,400
Transp Impact Fees	55	249							249	304
Transp Funding	679									679
Gen CIP Revenue	343	1,358	329						1,687	2,030
Developer Contrib	25	338							338	363
TOTAL REVENUE	1,102	1,945	3,336						5,281	6,383
M&O COSTS:										

**Capital Costs Beyond 2009:** NA



CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7045

A RESOLUTION authorizing the City Manager or his designee to execute a professional services agreement with HDR Engineering, Inc. to provide construction inspection services for the construction of the 148<sup>th</sup> Ave SE Roadway Project (CIP PW-R-117).

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a professional services agreement with HDR Engineering, Inc. to provide construction inspection services for the construction of 148<sup>th</sup> Ave SE Roadway Project (CIP PW-R-117), a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004, and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT:**

Resolution No. 7046 authorizing the City Manager or his designee to execute a settlement agreement and mutual release with Qwest Corporation, for reimbursement for delays and impacts associated with the undergrounding of Qwest's facilities for the Richards Road Improvements – SE 26<sup>th</sup> Street to Lake Hills Connector project, CIP Plan No. PW-R-79.

### **FISCAL IMPACT:**

Adopting this resolution will allow the City to settle a delay and impact dispute between the City of Bellevue and Qwest Corporation. The settlement is for \$136,739.81 which is full payment for the claim as submitted. This funding will be used toward Transportation CIP funding needs as part of the 2005 – 20011 CIP Plan Update.

### **STAFF CONTACT:**

Goran Sparrman, 452-4338/David Berg, 452-6468/David Cieri, 452-2753

### **POLICY CONSIDERATION:**

Acceptance of this settlement will resolve the City's dispute with Qwest Corporation, regarding the delays and impacts resulting from the undergrounding of Qwest's facilities on this project.

### **BACKGROUND:**

On January 20, 2004 Council approved a full and final settlement change order with Tydico, Inc. for completion of the Richards Road Improvements – SE 26<sup>th</sup> Street to Lake Hills Connector project. The change order included compensation to Tydico Inc., for a delay and impact claim in the amount of \$136,739.81 due to delays associated with Qwest's undergrounding of their facilities. The change order also assigned the claim over to the City of Bellevue to allow the City to recoup these delays and impact costs from Qwest.

After several months of discussions with Qwest, an agreement was reached.

The City Council is now being asked to approve the settlement agreement with Qwest Corporation.

### **EFFECTIVE DATE:**

If adopted, this resolution will be effective immediately upon adoption.

### **OPTIONS:**

1. Adopt Resolution No. 7046 authorizing the City Manager or his designee to execute a settlement agreement and mutual release with Qwest Corporation, for reimbursement for delays and impacts associated with the undergrounding of Qwest's facilities for the Richards Road Improvements – SE 26<sup>th</sup> Street to Lake Hills Connector project, CIP Plan No. PW-R-79.
2. Do not adopt Resolution No. 7046 and provide alternative direction to staff.

**RECOMMENDATION:**

Adopt Resolution No. 7046 authorizing the City Manager or his designee to execute a settlement agreement and mutual release with Qwest Corporation, for reimbursement for delays and impacts associated with the undergrounding of Qwest's facilities for the Richards Road Improvements – SE 26<sup>th</sup> Street to Lake Hills Connector project, CIP Plan No. PW-R-79.

**MOTION:**

Move to adopt Resolution No. 7046 authorizing the City Manager or his designee to execute a settlement agreement and mutual release with Qwest Corporation, for reimbursement for delays and impacts associated with the undergrounding of Qwest's facilities for the Richards Road Improvements – SE 26<sup>th</sup> Street to Lake Hills Connector project, CIP Plan No. PW-R-79.

**ATTACHMENTS:**

Proposed Resolution No. 7046.

CIP Project Description

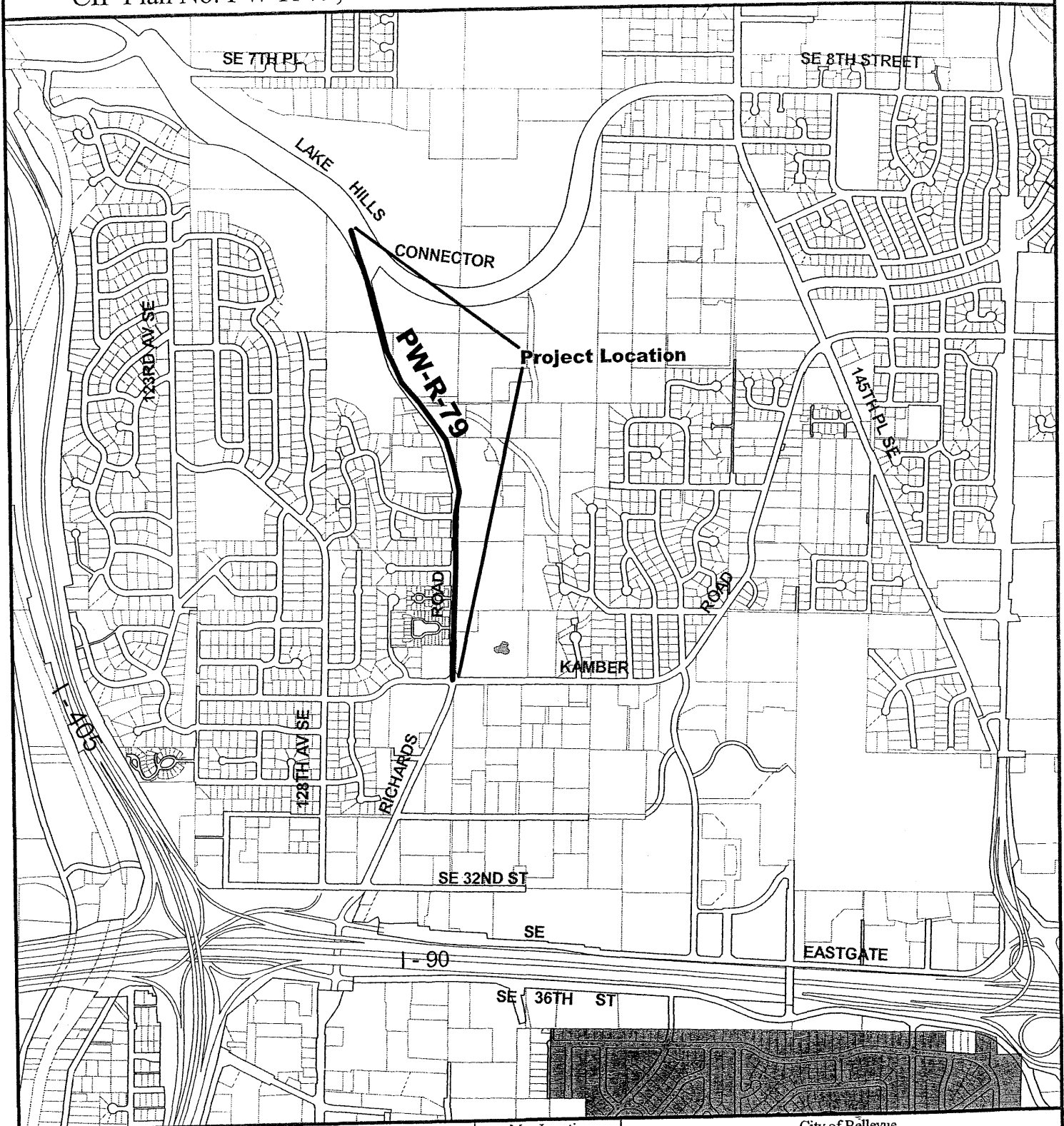
Project Vicinity Map

**AVAILABLE IN COUNCIL OFFICE:**

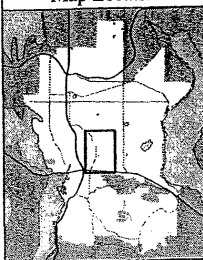
Draft Settlement Agreement

# Vicinity Map

CIP Plan No. PW-R-79, Richards Road - SE 26th Street to Lake Hills Connector.



Map Location



City of Bellevue  
Transportation Department  
Capital Projects

1300 0 1300 Feet



NOTE: This map is for reference only.



# 2003-2009 Adopted CIP: Transportation-Roadways

**CIP PLAN NUMBER:** PW-R-79

**CIP FUND/PROJECT NUMBER:** 3680-053

**PROJECT NAME:** Richards Road – SE 26<sup>th</sup> Street to Lake Hills Connector

**PROJECT LOCATION:** Richards Road – SE 26<sup>th</sup> Street to Lake Hills Connector

**DEPT/PROGRAM:** Transportation/Transportation Improvements

**STATUS:** Approved and Begun

**ACTUAL/ESTIMATED START DATE:** 1991

**ESTIMATED COMPLETION DATE:** 2003

**PROJECT DESCRIPTION/SCOPE:** This project will widen Richards Road from SE 26th Street to Bannerwood Park to five lanes and from Bannerwood Park to Lake Hills Connector to four lanes. The project will also include five-foot wide bike lanes and six-foot wide sidewalks on both sides, landscaping, street lighting, a traffic signal at SE 21st Street and undergrounding of aerial distribution lines for all utilities.

**PROJECT JUSTIFICATION/BENEFITS:** This project has been identified in the East Bellevue Transportation Plan. Completion of this project will provide a two-way left-turn lane for improved access along this heavily traveled arterial. Inclusion of the sidewalks, bike lanes, and lighting will accommodate pedestrians and bicyclists.

**ENVIRONMENTAL IMPACTS:** This project will impact adjacent wetlands. An environmental analysis has been completed with a determination of non-significance.

## CHANGES TO PREVIOUSLY APPROVED CIP PROJECT DESCRIPTION:

**Project Schedule:** The project schedule has been extended to 2003.

## PROJECT BUDGET:

\$000

	Through 2002	2003	2004	2005	2006	2007	2008	2009	2003-2009 Total	Project Total
TOTAL CAPITAL COST:	8,144	2,209							2,209	10,353
REVENUE:										
Gen CIP Revenue	2,884	1,619							1,619	4,503
Transp Impact Fees	1,652									1,652
Developer Contrib	33									33
Restrict MVFT	1,510									1,510
Land Sale Proceeds		300							300	300
TIA Grant	2,065	290							290	2,355
TOTAL REVENUE	8,144	2,209							2,209	10,353
M&O COSTS*:										

\* In addition, it is estimated that the Utilities Department will spend \$2,000 annually for maintenance of storm drainage facilities associated with this project.

**Capital Costs Beyond 2009:** NA

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7046

A RESOLUTION authorizing the City Manager or his designee to execute a Settlement Agreement and Mutual Release with Qwest to implement settlement of the City's claim for delay damages on the Richards Road Improvement Project (CIP PW-R-79).

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a Settlement Agreement and Mutual Release with Qwest, to implement settlement of the City's claim for delay damages on the Richards Road Improvement Project (CIP PW-R-79), a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Motion to reject Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project, CIP Plan No. W-95, Utility Capital Investment Program fund 4690, and re-bid at a later date.

### **FISCAL IMPACT**

Rejecting this bid and re-advertising at a later date commits the City to approximately \$2,500 in labor, printing, and advertising costs. Awarding this bid commits the City to a contract of \$211,613.82. If not rejected, this contract will be funded from the Utilities CIP Plan No. W-95, Water System Security Enhancements. There is adequate budget remaining to fund this contract.

### **STAFF CONTACT**

Brad Miyake, 4895/Wes Jorgenson, 4887

### **POLICY CONSIDERATION**

It is the policy of the Utilities Department to identify and implement capital projects via the CIP, to ensure that water utility customers receive consistent, reliable service, and that public health is protected by ensuring that water quality standards are maintained.

CIP Plan No. W-95 has been designated to do this.

It is the City's policy to solicit competitive bids to obtain the lowest cost for capital projects. In this circumstance we received a single bid which substantially exceeded the Engineer's estimate and therefore, it is not consistent with City Policy as it relates to competitive bids ensuring the lowest price.

### **BACKGROUND**

The Water System Security Enhancements Capital Improvement Program (CIP No. W-95) project involves the installation of approximately 2685 lineal feet of underground and 3845 lineal feet of above ground electrical conduit at eighteen water reservoir sites. The project also involves installing electrical conduit in the interior of several existing facilities.

Bids were opened on June 29, 2004 and are as follows:

Service Electric Co., Inc.	\$211,613.82
----------------------------	--------------

**Engineer's Estimate \$128,000.00**

While six contractors had purchased plans for this project, only one ended up bidding. The bid price by the sole bidder, Service Electric Co., Inc. was approximately 65% higher than the Engineer's Estimate. Following the bid opening, staff reviewed the bid prices and determined they were too high to be deemed competitive. Staff has reviewed the Engineer's Estimate and believe it reflects the fair cost to complete the project. Comments from plan holders who did not submit bids, indicate this has been a very busy construction season and consequently contractors did not have the resources and time to bid this relatively small project. Staff recommends that the project be re-bid at a later date when more contractors will be available to provide bids which should provide more competitive prices. This has been discussed with the City Attorney's office and they concur with this recommendation.

### **EFFECTIVE DATE**

If adopted, the rejection of this bid will become effective immediately.

### **OPTIONS**

1. Reject Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project, CIP Plan No. W-95, Utility Capital Investment Program fund 4690, and re-bid at a later date.
2. Award Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project, CIP Plan No. W-95, Utility Capital Investment Program fund 4690, to Service Electric Company, Inc. of Snohomish, Washington, as low bidder in the amount of \$211,613.82.

### **RECOMMENDATION**

Adopt Option No. 1, which rejects Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project, CIP Plan No. W-95, Utility Capital Investment Program fund 4690, and re-bid at a later date.

### **MOTION**

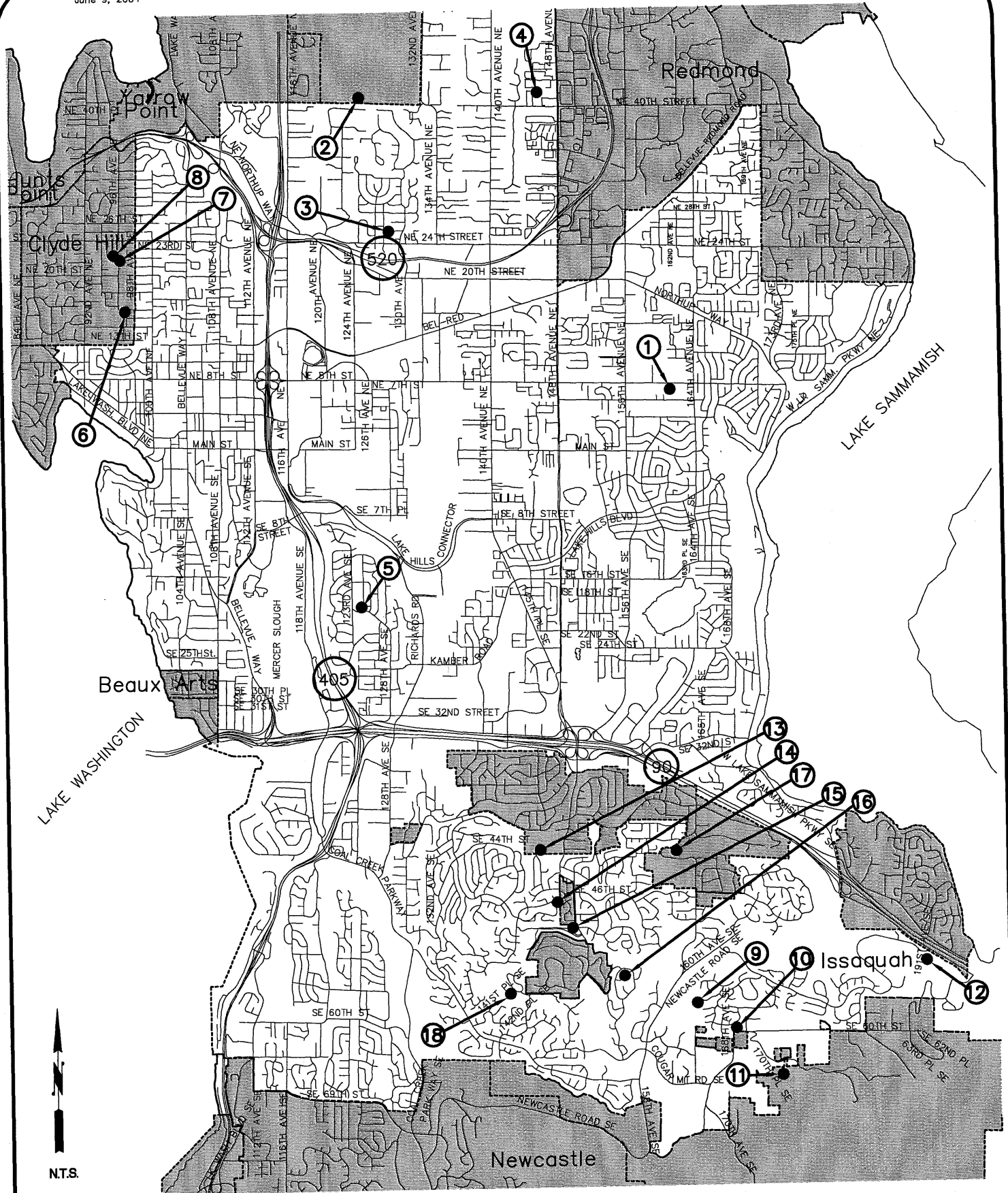
Move to reject Bid No. 0430, Water Reservoir Improvements – Electrical Conduit Installation Project, CIP Plan No. W-95, Utility Capital Investment Program fund 4690, and re-bid at a later date.

### **ATTACHMENTS**

Vicinity Map  
CIP Project Description

LM/llm  
D4/04-0109  
last revised date: 7/14/04 8:39 am





----- CITY OF BELLEVUE CITY LIMITS

## VICINITY MAP

WATER RESERVOIR IMPROVEMENTS - ELECTRICAL CONDUIT INSTALLATION PROJECT  
C.I.P. W-95

## 2003-2009 Adopted CIP: Water

CIP PLAN NUMBER: W-95

CIP FUND/PROJECT NUMBER: 4690-472

PROJECT NAME: Water System Security Enhancements

PROJECT LOCATION: Various locations throughout the water service area

DEPT/PROGRAM: Utilities/Utility Improvements

STATUS: New

ACTUAL/ESTIMATED START DATE: 2003

ESTIMATED COMPLETION DATE: 2004

PROJECT DESCRIPTION/SCOPE: This project will install new security measures to protect the City's water system.

PROJECT JUSTIFICATION/BENEFITS: Events of September 11, 2001 made us aware of an increased threat to public safety, specifically terrorist threat to the City's water system. This project is a response to these concerns and it is one of several initiated by various departments in the City to safeguard our citizens and employees.

This project provides critical measures to make the City's water system more secure. The proposed measures also increase the Utility's ability to respond to other threats to the water system such as earthquakes and storms.

ENVIRONMENTAL IMPACTS: Since the work will be performed within the existing water system, no significant impacts are anticipated

## PROJECT BUDGET:

\$000

	Through 2002	2003	2004	2005	2006	2007	2008	2009	2003-2009 Total	Project Total
TOTAL CAPITAL COST:		275	275						550	550
REVENUE:										
Water Utility Revenue		275	275						550	550
TOTAL REVENUE		275	275						550	550
M&O COSTS:										

Capital Costs Beyond 2009: NA

**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT**

Resolutions Nos. 7047 through 7050 authorizing the City Manager to execute four Maintenance/Non-Professional Services Contracts between the City of Bellevue and various vendors.

**FISCAL IMPACT**

The four agreements commit the City to contracts with a full potential value, including optional renewals, not to exceed \$1,031,041.28 over five calendar years.

	General Fund – Transportation Operating Budget	Surface Water Utility Fund Operating Budget	Totals
Immediate Contracts Value	\$47,000	\$224,599.94	\$271,599.94
Full Potential Value (incl. Future Optional Renewals)	\$94,000	\$937,041.28	\$1,031,041.28

The 2004 Operating Budgets indicated above contain sufficient funds set aside for these services in 2004. Some of these contracts, including renewals, could extend beyond 2004, up to 2008 (see Attachment 1 for details). Contract renewals would not require further Council action; however, funding for these contracts in future years is subject to budget approval.

**STAFF CONTACT**

Brad Miyake, 452-4895  
Goran Sparrman, 452-4338  
Denny Vidmar, 452-2759  
Laurie Gromala, 452-6013

**POLICY CONSIDERATION**

The City contracts for maintenance/non-professional services when it is cost-effective, the work requires specialized equipment or expertise, and/or there are other factors that render it impractical for City staff to perform the work. The proposed contracts are consistent with that policy and the City's contracting and purchasing practices.

Attachment 1  
Maintenance/Non-Professional Services Contracts  
July 19, 2004 Consent Calendar

Contracted Service	Vendor	Contract Renewal		New Contract		Year of Expiration (if renewed)	Full Potential Value (incl. future optional renewals)	Funding Source
		Year of Original Contract	Value of this Renewal	Number of 1-Year Optional Renewals Remaining (not incl. this renewal)	Value of this Approval	Number of Optional Renewals		
Transportation Trails Maintenance	Oliver's Landscape Maintenance	2002	\$47,000	1	NA	NA	\$94,000	Transportation Operating Budget
Coal Creek Sediment Removal	Clearcreek Contractors	NA	NA	NA	\$97,416.26 for one year	3	\$419,876.24*	Surface Water Fund Operating Budget
Lake Hills Greenbelt Brushing	Total Landscape	NA	NA	NA	\$27,183.68 for one year	3	\$117,165.04*	Surface Water Fund Operating Budget
Surface Water Pipeline Condition Assessment	Bravo Environmental	NA	NA	NA	\$100,000 for one year	3	\$400,000	Surface Water Fund Operating Budget
Total							\$1,031,041.28	

\* Note: full potential value calculated by escalating the 2004 contract cost by five percent per year to accommodate reasonable unit price and scope increases.

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7047

A RESOLUTION authorizing execution of a maintenance agreement in an amount not to exceed \$94,000 with Oliver's Landscape Maintenance to provide vegetation maintenance and litter removal on the City's transportation trails.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a maintenance agreement in an amount not to exceed \$94,000 with Oliver's Landscape Maintenance to provide vegetation maintenance and litter removal on the City's transportation trails, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7048

A RESOLUTION authorizing execution of a one-year maintenance agreement and three potential one-year renewals for a potential total contract amount not to exceed \$419,876.24 with Clearcreek Contractors for removal of accumulated sediments from two regional detention ponds located in Coal Creek.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a one-year maintenance agreement and three potential one-year renewals for a potential total contract amount not to exceed \$419,876.24 with Clearcreek Contractors for removal of accumulated sediments from two regional detention ponds located in Coal Creek, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7049

A RESOLUTION authorizing execution of a one-year maintenance agreement, with an option for three one-year renewals, for a potential total contract amount not to exceed \$117,165.04 with Total Landscape for removal of vegetation in the constructed channels between Phantom and Larsen Lakes in the Lake Hills Greenbelt area.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a one-year maintenance agreement, with an option for three one-year renewals, for a potential total contract amount not to exceed \$117,165.04 with Total Landscape for removal of vegetation in the constructed channels between Phantom and Larsen Lakes in the Lake Hills Greenbelt area, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7050

A RESOLUTION authorizing execution of a one-year maintenance agreement and three potential one-year renewals for a total potential contract amount not to exceed \$400,000 with Bravo Environmental for surface water pipeline condition assessment.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a one-year maintenance agreement and three potential one-year renewals for a total potential contract amount not to exceed \$400,000 with Bravo Environmental for surface water pipeline condition assessment, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk



## CITY COUNCIL AGENDA MEMORANDUM

**SUBJECT:** Resolution No. 7053 ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

**FISCAL IMPACT:****A. Weinstein/Newport Yacht Club Settlement**

Total costs of approximately \$5.4 million associated with this settlement will be shared between King County and the City of Bellevue as follows:

(\$ in Thousands)

	Total Cost	King County Share	Bellevue Share
Coal Creek Stabilization	\$3,775	\$2,150	\$1,625
Berm/Salmon Enhancement	250	250	0
Marina Re-dredge	60	30	30
Future Re-dredge	700	0	700
Environmental Impact Statement	500	250	250
Attorney Fees	100	75	25
<b>Total</b>	<b>\$5,385</b>	<b>\$2,755</b>	<b>\$2,630</b>

Approximately one half of the City's share of these costs (\$1.3 million) will be funded from the Storm and Surface Water Utility CIP Plan. The other half of the City's share of these costs (\$1.3 million) will be funded through utility rates. The amount of the increase in utility rates to cover these costs shall be determined during the 2005-2006 Budget development process.

**B. Transferred Property - Maintenance and Operations (M&O) Costs**

King County will transfer title to Coal Creek Park and the Surrey Downs property to the City of Bellevue. The estimated ongoing M&O cost for Coal Creek Park will range from \$35,000 (which reflects current King County level of service standards) to \$220,000, depending on the use and level of maintenance.

No net additional M&O costs for the Surrey Downs property are anticipated through the duration of existing King County Court contract which expires in 2006. Beyond 2006, the level of ongoing M&O costs will depend on the ultimate use of the site.

**STAFF CONTACT:** Lori Riordan, Acting City Attorney – 452-6829  
Marilyn Nitteberg, Assistant City Attorney – 452-6829

**POLICY CONSIDERATIONS:**

Should the City approve the settlement of the legal action as set forth in the Proposed Settlement Deal Points re Newport Yacht Club and Weinstein v. City of Bellevue and King County, USDC Cause No. C03-2534Z as attached to the Resolution?

BACKGROUND:

Weinstein and the Newport Yacht Club have brought suit in Federal court against Bellevue and King County, alleging violations of the Clean Water Act, Endangered Species Act, nuisance and trespass. The parties have been involved in mediation and ongoing settlement negotiations regarding the claims. The parties have a proposed settlement as set forth in the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z, attached to the Resolution.

EFFECTIVE DATE:

If approved, Resolution No. 7053, ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z, will be effective immediately.

OPTIONS:

A. Adopt Resolution No. 7053 ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

B. Do not adopt Resolution No. 7053 ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

RECOMMENDATION:

Adopt Resolution No. 7053 ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

MOTION: Move to adopt Resolution No. 7053 ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

ATTACHMENTS:

Proposed Resolution with attached Proposed Settlement Deal Points re *Newport Yacht Club and Weinstein v. City of Bellevue and King County*, USDC Cause No. C03-2534Z.

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7053

A RESOLUTION ratifying the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re Newport Yacht Club and Weinstein v. City of Bellevue and King County, USDC Cause No. C03-2534Z attached hereto.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Council hereby ratifies the signature of Steven Sarkozy, City Manager, on the Proposed Settlement Deal Points re Newport Yacht Club and Weinstein v. City of Bellevue and King County, USCD Cause No. C03-2534Z, a copy of which is attached hereto and incorporated herein by reference.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

**Newport Yacht Club and Weinstein v. City of Bellevue & King County**

**Cause No. C03-2534Z**

**(U.S.D.C., Western Dist. Washington)**

**PROPOSED SETTLEMENT DEAL POINTS FROM 7/7/04 MEDIATION SESSION**

**1. City – County Terms**

- a. Upon County Council and City Council approval, County transfers title to Coal Creek Park (“Park”) and Surrey Downs property in Bellevue to City. Upon transfer, City to take over all operation and maintenance in Park and Surrey Downs, except for district court building and facilities. District Court to retain use of Surrey Downs building and facilities rent-free through December 31, 2006. All other Surrey Downs and/or Coal Creek Park income streams to be redirected to City upon transfer.
- b. County pays City \$ 2.150 million dollars less credit for funds spent on approved work on overbank erosion in Cinder Mine area, representing County’s portion of costs for Coal Creek Stabilization Proposal, attached as Exhibit A.
- c. County pays City \$250,000 as its contribution toward EIS for projects represented in Exhibit A.
- d. County contributes \$75,000 and City contributes \$25,000 for Plaintiffs' attorneys fees.
- e. City indemnifies and holds County harmless for any and all third party claims arising after Park transfer. County cross indemnifies and holds City harmless for all third-party claims arising prior to Park transfer.
- f. City responsible for all implementation and permitting activities for projects identified in Exhibit A and for drafting and developing EIS. County to cooperate and support as necessary, including release of information now subject to the joint defense privilege to the extent needed for the EIS and application process.

**2. Coal Creek Stabilization Project.**

- a. City will implement the Coal Creek Stabilization Proposal attached at Exhibit A. For the “source control” items listed on Exhibit A, the corresponding line item dollar amount represents the maximum dollar amount proposed for that project inclusive of design, permitting and construction costs but excluding the cost of a programmatic EIS, which will be funded separately.
- b. City will provide plaintiffs’ experts with a reasonable opportunity to review with City and comment concerning modifications, changes and enhancements to the source control and flood control work to the extent such changes or enhancements do not increase the overall cost of the specific proposed tasks.

- c. The sediment removal capacity outlined in the Stabilization Proposal shall be increased by four hundred (400) cubic yards to a total capacity of one thousand five hundred (1,500) cubic yards at or near the existing I-405 pond or other locations acceptable to the City.
- d. The parties shall work cooperatively and in good faith to have the Washington Department of Transportation allocate monies to improve storm water detention and sediment capture capacity at the I-405/Coal Creek Parkway exchange as it impacts Coal Creek.

3. **Weinstein Berm & Salmon Channel**

- a. Weinstein shall design, obtain permits for, construct, and maintain a flood control berm on the Weinstein property along the south bank of Coal Creek. The application may include raising the level of the yard to match the berm height. NYC may be a co-applicant on any such permit application.
- b. Weinstein shall design, obtain permits for, construct, and maintain an environmentally friendly, salmon enhancement channel at the mouth of the creek for salmon passage across the delta (the "Salmon Channel"). NYC may be a co-applicant on any such permit application.
- c. Within ninety (90) days of the Order dismissing the action, defendant County shall pay \$250,000 for the berm and salmon channel. The \$250,000 will be direct deposited into an interest bearing escrow account at Chicago Title Insurance Company. Weinstein shall draw down on the escrow account to pay for the costs to design, permit, construct, operate and maintain the berm and Salmon Channel or Replacement Work (as defined in section 8.d. below). Escrow instructions concerning draws on the account shall be attached as an exhibit to the final settlement agreement and shall include without limitation the following instructions:
  - payment or reimbursement of appropriate invoices within sixty (60) days;
  - form of draw request shall be in letter format with backup documentation (invoices etc.) and conform to Chicago Title's general escrow draw requirements / forms; and
  - escrow funds shall be dedicated to payment of berm, Salmon Channel and any Replacement Work.
- d. Subject to the berm and Salmon Channel permits complying with applicable provisions of the Bellevue City Code, the City shall cooperate with Weinstein in securing such permits. In the event the permit application(s) result in a final DNS determination under SEPA (or if an administrative appeal is filed, upon the DNS being affirmed) or upon publication of an FEIS and upon receipt of a complete permit application, then the City will undertake to issue its permits for such work in a time frame which is no longer than the average time frame for an average shoreline permit pending in the City of Bellevue (currently estimated at 20 weeks). Furthermore, subject to applicable provisions of the

Bellevue City Code, the City shall defer to the review, recommendations and determinations of other permitting agencies in evaluating Weinstein's permit applications. The City and the County shall not oppose Weinstein's permit applications to permitting agencies. Weinstein may combine the permitting for the berm and Salmon Channel (or Replacement Work) with the permitting for the Salmon Habitat Enhancement (section 4 below).

- e. The City may charge Weinstein only reasonable and ordinary permitting costs.

4. **Weinstein Salmon Habitat Enhancement.**

- a. Subject to its compliance with applicable Bellevue City Code provisions, Defendants shall not oppose plaintiff Weinstein's development of enhanced salmon habitat facilities in and around his property at the mouth of Coal Creek.
- b. The cost of permitting, constructing, operating and maintaining such enhancements will be at Weinstein's sole cost and expense.
- c. Defendants shall allow Weinstein to use any technical data, reports, or other documents as may be prepared for the City or County in connection with the projects proposed in item 2 and 3 above. The City and County shall not charge Weinstein for the value or use of such materials, or the cost to develop them.
- d. Subject to the Salmon Pond permits complying with applicable provisions of the Bellevue City Code, the City shall cooperate with Weinstein in securing such permits. In the event any the permit application(s) result in a final DNS determination under SEPA (or if an administrative appeal is filed, upon the DNS being affirmed) or upon publication of an FEIS and upon receipt of a complete permit application, then the City will undertake to issue its permits for such work in a time frame which is no longer than the average time frame for an average shoreline permit pending in the City of Bellevue (currently estimated at 20 weeks). Furthermore, subject to applicable provisions of the Bellevue City Code, the City shall defer to the review, recommendations and determinations of other permitting agencies in evaluating Weinstein's permit applications.

5. **Duty to Operate and Maintain.**

The City shall operate and maintain the existing and proposed flood control and sediment management facilities in the Coal Creek basin from and including Coal Creek Park to the waters of Lake Washington.

6. **Marina Re-Dredge.**

Within ninety (90) days of the Order dismissing the action, Defendants City and County shall each pay NYC \$30,000 to be used for dredging in the marina. NYC shall segregate the combined total amount of \$60,000 from its general funds and apply the funds only to dredging costs incurred in the NYC marina.

7. **Future Dredging – Lump Sum Payment.**

- a. Within ninety (90) days of the Order dismissing the action, defendant City shall pay \$700,000 for NYC's future navigation maintenance dredging costs. The \$700,000 will be direct deposited into an interest bearing escrow account at Chicago Title Insurance Company. NYC shall draw down on the escrow account to pay for the costs to design, permit, construct, and otherwise conduct navigation maintenance dredging in the following specified areas:

- NYC marina;
- Entrance to Grand Canal;
- South side of D dock; and
- Edges of Coal Creek Delta for navigational maintenance dredging.

NYC shall not construct boat slips on the south side of D dock as a consequence of the dredging. Escrow instructions concerning draws on the account shall be attached as an exhibit to the final settlement agreement and shall include without limitation the following instructions:

- payment or reimbursement of appropriate invoices within sixty (60) days;
- form of draw request shall be in letter format with backup documentation (invoices etc.) and conform to Chicago Title's general escrow draw requirements / forms;
- escrow funds shall be dedicated to dredging in areas set forth above in this paragraph.

- b. The decision of whether, where and when to dredge the specified areas shall be in NYC's sole and absolute discretion.
- c. The dredging costs may include, without limitation, design, permitting, engineering, legal, construction, consulting, mitigation and monitoring costs.
- d. Subject to any future dredge permits complying with applicable provisions of the Bellevue City Code, the City shall cooperate with NYC in securing such permits as required to perform future dredges. In the event any such future dredge permit applications result in a final DNS determination under SEPA (or if an administrative appeal is filed, upon the DNS being affirmed) or upon publication of an FEIS and upon receipt of a complete permit application, then the City will undertake to issue its permits for such dredges in a time frame which is no longer than the average time frame for an average shoreline permit pending in the City of Bellevue (currently estimated at 20 weeks). Furthermore, subject to applicable provisions of the Bellevue City Code, the City shall defer to the review, recommendations and determinations of other permitting agencies in evaluating NYC's permit applications. The City and the County shall not oppose NYC's permit applications to permitting agencies.

**8. Permitting.**

- a. The Parties' obligations to perform the work as set forth above is contingent upon receipt of all required permits and third-party approvals.
- b. The City's work described in item 2 above shall be prosecuted as a single project under a single programmatic EIS process and to the extent possible, under a single permit application. Plaintiffs and the County agree to support and not oppose the City's permit application and programmatic EIS for the work described in item 2 above. NYC and/or Weinstein may be co-applicants on the City's permit applications. Plaintiffs shall not use the status of co-applicant to oppose or otherwise impede the City's permitting. NYC and Weinstein shall each bear their own costs of participating as co-applicants and the co-applicant status of Weinstein or NYC shall be at no cost to the City.
- c. City charges against line item budget amounts in Exhibit A shall be limited to reasonable and customary costs for capital improvement projects.
- d. In the event any party fails to secure permits for work described above, Plaintiffs' release and covenant not to sue as set forth below shall remain in place but the parties shall negotiate in good faith to decide upon acceptable replacement work. Replacement work shall be of like kind, reasonably and technically feasible, shall be subject to the associated dollar amounts established in Exhibit A or the respective escrow account and shall not increase the projected maintenance costs. ("Replacement Work"). If the parties cannot agree on such Replacement Work, then they shall submit the issue to binding arbitration in accordance with the King County Mandatory Arbitration Rules. The parties shall select a mutually acceptable arbitrator and if the parties cannot agree upon an arbitrator then the arbitrator shall be selected by Bill Joyce in his sole discretion.

**9. Schedule and Milestones.**

- a. Within thirty (30) days of execution of the definitive settlement agreement, the City and Plaintiffs will develop and agree upon a list of key milestones and submittals for the City's overall project.
- b. The City and Plaintiffs will agree upon a schedule for implementation of the milestones and/or submittals up to and including the preparation of an environmental impact statement and JARPA submittals. The City shall respond to regulatory agency requests for additional information within 30 days unless the request requires the City to develop information which is not in its care, custody or control at the time of the request.
- c. If the City and Plaintiffs cannot agree upon the submittals and schedule, then the City and Plaintiffs shall reconvene with Bill Joyce to mediate the submittals and schedules.



10. **Form of Settlement and Release.**

- a. The settlement agreement shall be incorporated into a stipulated order to be executed by Judge Zilly. The Federal Court will retain jurisdiction to enforce the terms and conditions of the order and settlement agreement.
- b. The settlement agreement shall provide reasonable attorney fees to the prevailing party in any action to enforce the terms and conditions of the settlement agreement. The Court shall determine in its discretion which party is "prevailing" for purposes of an attorney's fees award.
- c. The settlement agreement and order shall also establish a dispute resolution procedure to be undertaken in advance of seeking court enforcement.
- d. Release of past/existing claims: The settlement agreement and the stipulated order shall provide a full and comprehensive release of, and shall dismiss with prejudice, the claims of NYC and Weinstein that were brought or could have brought by NYC or Weinstein in the lawsuit based upon the facts alleged in the operative complaint. Except for claims seeking or related to navigational access and/or dredging, NYC's release does not extend to claims, whether founded in tort, common law, statute, or otherwise, that an individual homeowner may have concerning damage to their individual real property (e.g. their homes, lots, pools etc.) arising from Coal Creek (e.g. flooding).
- e. Covenant Not to Sue for NYC future claims: For the period forty (40) years after entry of the Order dismissing the action, NYC shall covenant not to sue the City or the County for: (a) any future claims that NYC could bring for damage to its property, property for which it has management responsibility, Clean Water Act violations, RCRA violations or ESA violations arising from the facts alleged in the operative complaint, including without limitation re-sedimentation; and (b) any future claims for maintenance dredging to protect NYC's property or property it manages concerning or arising from the facts alleged in the operative complaint. Except for claims seeking or related to navigational access and/or dredging, the parties specifically acknowledge that the covenant not to sue is provided by NYC and is not intended to encompass the individual claims of NYC members, whether founded in tort, common law, statute or otherwise, concerning damage to their individual real property (e.g. their homes, lots, pools etc.) arising from Coal Creek (e.g. flooding).
- f. NYC Defense and Indemnification : During the time period of the covenant not to sue, NYC shall defend and indemnify the City and the County from and against claims by members of NYC for their personal claims which seek or relate to navigational access and/or dredging that concern or are derived from damage to the Club's property or damage to the individual's interest in the Club's property or property the Club manages, arising out of the facts alleged in this lawsuit.
- g. Covenant Not to Sue for Weinstein Future Claims: As to the Plaintiffs Weinstein's individual claims, Plaintiffs Weinstein, the Spendthrift Trust(s) holding title to the

Weinstein properties, and the successors in interest and assigns of each, covenant not to sue the City and County for any future damage claims, including damage claims resulting from re-sedimentation of Coal Creek, arising from actions, inactions or events alleged in this lawsuit.

**11. Attorneys Fees.**

The City and County shall reimburse Plaintiffs' attorneys fees in the amount of \$100,000.00, as provided for in Item 1.d. above.

**12. City Ordinance Enforcement Action and Vegetation Order.**

- a. Within 60 days of earlier of issuance of the permits for the berm and Salmon Channel or issuance of permits for the City's work set forth in section 2 above, Weinstein will remove the rocks in the area shoreward of the X shown on Exhibit B unless they are re-used or removed pursuant to the permits issued for the berm or Salmon Channel.
- b. Within 30 days of entry of the order, the City shall dismiss with prejudice its pending code compliance enforcement action against William Weinstein concerning the alleged placement of berming materials on his property from the east edge of his property to the X shown on Exhibit B attached hereto, and will dismiss without prejudice the enforcement action as to alleged fill with rocks shoreward/downstream of that point. If the alleged fill shoreward/downstream of X is either permitted by the permit for the berm or Salmon Channel, or if Weinstein removes them within 60 days of the earlier of issuance of the berm and Salmon Channel permits or issuance of permits for the City's work in section 2 above, the City will not pursue an enforcement action against the Weinstains related to that alleged fill. If the City is authorized by this section to pursue later the portion of the enforcement action dismissed without prejudice, the subsequent enforcement action will relate back to the date of the filing of the enforcement action being dismissed.
- c. After inspection and if warranted, the City shall also provide a certification that as of the inspection date, William Weinstein is in compliance with that certain order concerning maintenance of vegetation on his property located on the north side of Coal Creek
- d. Within fourteen (14) days of the date of the Order dismissing the action, the City will lift the current red tag on the Weinstein property.

13. **Final Settlement Agreement and Approvals.**

The agreements set forth in this deal point letter are subject to preparation and execution of a definitive settlement agreement and the review and approval of the City Council, County Council and NYC Board/Members and Weinstains.

Accepted and Agreed this \_\_\_ day of July, 2004:

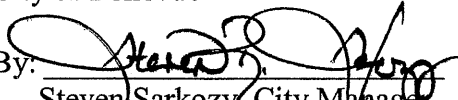
\_\_\_\_\_  
William Weinstein

\_\_\_\_\_  
Leanne Weinstein

The Newport Yacht Club, Inc.

By: \_\_\_\_\_  
Steve Cole, Commodore

City of Bellevue

By:   
Steven Sarkozy, City Manager

King County

By: \_\_\_\_\_

## **EXHIBIT A**

### **Coal Creek Stabilization Proposal**

Having considered the plaintiffs' claims and after conducting additional field reconnaissance of the watershed, King County and the City of Bellevue developed the following list of projects to address erosion, sedimentation and flooding issues in the Coal Creek basin.

<u>Source Control</u>	<u>Estimated Cost</u>
Upper Reach Bank & Slope Stabilization (Cinder Mines) <sup>(1)</sup>	\$ 600,000
Middle Reach Bank Stabilization <sup>(2)</sup>	\$ 700,000
Overbank erosion from upslope runoff (Cinder Mine Area) <sup>(3)</sup>	\$ 500,000
Overbank erosion from outfalls (Bellevue areas) <sup>(4)</sup>	\$ 475,000
Bed Grade Controls (I-405 to Newcastle Rd) <sup>(5)</sup>	\$ 800,000

<u>Sediment Removal</u>	
Add 1,100 CY of Sediment Capture at or near the I-405 Pond <sup>(6)</sup>	\$ 700,000
	\$ 3,775,000

Total Basin Stabilization Costs (Capital)

#### Notes

- (1) KCM/GeoEngr's Cinder mine Assessment, April 2003. Approx. 975 LF of bank stabilization identified.
- (2) Stabilizes eroding stream banks between I-405 and Coal Creek Parkway.
- (3) Addresses overbank erosion from storm drain outfalls, primarily in Cinder Mine area.
- (4) Addresses overbank erosion from storm drain outfalls within Bellevue city limits.
- (5) Assumes root wad/boulder/log grade controls similar to those constructed by King County at Cinder Mines.
- (6) Existing basin-wide sediment volume = 1,900 CY. Increases total sediment volume to 3,000 CY.

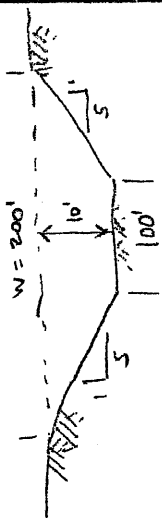
**Subject to the Protections of Federal Rule of Evidence 408**

St/04082004

Coal Creek Stabilization Cost Summary Offer.doc

FYI -

10,000 - 12,000 CY  
SEDIMENT SWAMP





## MEMORANDUM

Date: July 15, 2004

To: Mayor Marshall and City Councilmembers

From: Myrna Basich, Assistant City Manager/City Clerk *Myrna Basich*

Subject: Limited Public Hearing on the Appeals of the  
Hearing Examiner's Decision on the  
Application of Michael's Toyota for a Conditional Use Permit

*Appellants: Jennifer Robertson, Scott Robertson, & Michael Alford*  
*Respondents: Michael's Toyota (applicant) and Director of the*  
*Department of Planning & Community Development*

Before you this evening at Item 9(a) is a Limited Public Hearing on the appeals filed by Jennifer Robertson, Scott Robertson, and Michael Alford from the decision of the Hearing Examiner to approve the application of Michael's Toyota for a Conditional Use Permit. The appeal documents are located behind the fourth tab in the Hearing Examiner's Report (*buff colored comb-bound document provided under separate cover*).

Applications for Conditional Use Permits in non-Community Council areas follow Process I, which is characterized by a Hearing Examiner decision appealable to City Council. Council's decision may be further appealed to Superior Court.

As a reminder of the procedure for land use appeals before the City Council (Resolutions Nos. 5097 and 5238), briefs and written comments relating to the appeal may be provided to the City Council by filing them with the City Clerk no later than 1:00 pm on the Wednesday preceding the hearing. These briefs or written comments must be reviewed by the City Attorney, who excludes references to any information not contained in the record before the Hearing Examiner. Additionally, applicants and appellants are allowed to request additional time for provision of hearing testimony, also within a specific timeframe. The City Clerk received a number of briefs/memoranda in response to these communication opportunities which are catalogued for you below. These documents are provided in chronological order according to filing date but have been color coded to assist you in reviewing related information (i.e., motion to supplement record and responses to this request are printed on yellow paper.)

Please also see the Limited Public Appeal Hearing Procedure document prepared by Acting City Attorney Lori Riordan, which follows, for additional information relating to the hearing procedure and suggestions as to how Council should proceed to consider and rule upon the various motions. Please note that some documents being provided to you have had material redacted from their original submittals at the request of the City Attorney because original documents contained evidence not in the record. In addition, some documents submitted for the City Attorney's review are not being provided to Council at this time because the applicants chose to redact material not found in the record and submit substituted documents. Should Council decide to

accept the additional evidence offered by appellants the original documents will then be submitted for Council review.

1. Amended motion to supplement the record (filed July 7) (printed on yellow paper)

Appellants Jennifer Robertson and Scott Robertson jointly filed a motion requesting to be allowed to present additional information to the City Council or, as an alternative, to remand the matter to the Hearing Examiner to take additional evidence.

2. Motion to continue the hearing (amended) (filed July 7) (printed on blue paper)

Appellants Jennifer Robertson and Scott Robertson jointly filed a motion requesting that the hearing before the City Council be continued until after new evidence is developed in September, 2004.

3. Request for additional time (timely filed on July 7, 2004) (printed on pink paper)

The appellants jointly filed a request that they be granted an additional 15 minutes (for a total of 30 minutes) for presentation of their oral argument to Council. As a reminder, under Council Rules governing land use appeals, the Mayor may grant requests for additional time upon determining that there are good reasons to do so. If granted for the appellants, the same amount of additional time would be afforded to the respondents.

4. Briefs on motion to supplement the record (filed July 14) (printed on yellow paper)

The following communications were received from respondents on the request to supplement the record:

- Brief filed by Michael's Toyota, applicant, pages 2-3
- Brief filed by Department of Planning and Community Development

5. Brief in response to Motion for Continuance (filed July 14) (printed on blue paper)

The Director of the Department of Planning and Community Development, respondent, filed a response to the request for continuance.

6. Briefs on the appeal (timely filed on July 14, 2004) (printed on green paper)

The following briefs on the substance of the appeal have been reviewed and redacted by the Acting City Attorney to exclude information not included in the public record made before the Hearing Examiner and are now being provided to you for your review and consideration:

- Brief filed by Jennifer Robertson, appellant, in support of reversal of the Hearing Examiner's decision (33 pages, with no references to additional information she is seeking to have heard by Council. Should Council decide to hear this information an alternative brief of 36 pages will be provided.)
- Memorandum submitted by Scott Robertson, appellant.
- Brief filed by Michael's Toyota, applicant.
- Brief filed by Department of Planning and Community Development.

As a reminder, this is a quasi-judicial matter in which the Council must act as judges and maintain fairness and impartiality. You will be given an opportunity to disclose on the record any ex parte communications you may have had with any of the parties to this appeal or others supporting or opposing the application. If any ex parte communications are to be disclosed, Councilmembers should be prepared to state the following on the record:

- Names of persons with whom the communication occurred,
- Whether the communication was written or oral
- The substance of the communication (if written, include emails or the written documents; if voicemail, include a transcript if one exists).

The other parties will have an opportunity to rebut the substance of the ex parte communications.

Please contact Acting City Attorney Lori Riordan at 452-7220 or me at 452-2733 if you have questions or need additional information about any of the above information.

cc: Steve Sarkozy, City Manager  
Ed Oberg, Deputy City Manager  
Lori Riordan, Acting City Attorney

All referenced documents approved by the City Attorney's Office are available under separate cover.



## LIMITED PUBLIC APPEAL HEARING PROCEDURE

### Michael's Toyota - Limited Public Hearing on the Decision of the Hearing Examiner Approving the Application for Conditional Use Permit with Conditions

July 19, 2004

Item 9(a), Limited Public Hearing on Appeal of Hearing Examiner's File No. 04-100086-LB, the appeal of Jennifer Robertson, Scott Robertson, and Michael Alford from the Decision of the Hearing Examiner approving with conditions the application of Michael's Toyota for a Conditional Use Permit to establish an automobile dealership located at 3080 148<sup>th</sup> Avenue SE within the existing Sunset Village Shopping Center. The public hearing before the Hearing Examiner was held on April 22, 2004.

This is a limited hearing because it is confined to the record which was made before the Hearing Examiner, and only the parties to the appeal and their representatives may participate.

The parties to this appeal are JENNIFER ROBERTSON, SCOTT ROBERTSON, AND MICHAEL ALFORD, who are the appellants, and MICHAEL'S TOYOTA and the DIRECTOR OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT, who are the respondents.

The appellants have made three motions which Council will need to rule upon prior to opening the appeal hearing. First, appellants have moved Council to take additional evidence or in the alternative remand the matter to the Hearing Examiner to take additional evidence. The Council may deny the motion or may grant the motion and either accept the new evidence or remand the matter to the Hearing Examiner for the limited purpose of taking testimony solely on the new evidence or on other such issues as the Council deems necessary to its decision.

Appellants have also moved the Council to continue the hearing on the basis that if it is going to accept the new evidence, that evidence will not be fully developed until sometime in September 2004. If Council declines to take new evidence it may deny this motion. If Council grants the motion to accept new evidence it may grant or deny this motion, and if Council remands this matter to the Hearing Examiner it may grant or deny this motion.

Appellants final motion is to grant additional time for argument by the parties. The Mayor is charged, under the Council's rules for appeal hearings, with the decision as to whether to grant additional time. The Mayor may grant or deny this motion if Council's rulings on the prior motions will result in the hearing occurring as scheduled. If, however, Council remands the matter to the Hearing Examiner or grants the motion to continue, a decision on this motion is not necessary at this time.

If Council determines to proceed with the hearing as scheduled, the hearing will then be opened and the parties will have an opportunity to present oral argument based on the Hearing Examiner's record on the remand. The appellants will proceed first, and will have a total of fifteen (15) minutes for their argument unless more time is granted by the Mayor. If the appellants wish to do so they may reserve a portion of that time to be used for rebuttal argument after the conclusion of the presentation(s) of the respondent(s).

After opening argument by the appellants, the respondent(s) will have a total of fifteen (15) minutes for argument, unless more time is granted by the Mayor, after which the appellants may argue in rebuttal to respondent(s)' arguments, if time has been reserved for that purpose.

The Council may ask questions of any party, or of staff, or of any other person about any matter contained in the record. New material not contained in the record which was made before the Hearing Examiner may not be presented unless so directed by Council.

After all argument is presented and after the Council has asked any questions it may have, the Council will have the opportunity to deliberate and render a decision. The Examiner's Decision shall be given substantial weight.

If the Council determines that the appellants have produced sufficient evidence to support the conclusion that there is an error or defect in the proceedings and/or that the Decision of the Hearing Examiner is not supported by material and substantial evidence, it may grant the appeal and deny the Conditional Use Permit; or it may grant the appeal, modify the Conditional Use Permit

and approve the Conditional Use Permit as modified; or it may remand the matter to the Hearing Examiner for further hearing and recommendation; or it may continue this hearing to a time certain and request further staff analysis prior to making a final decision.

If the Council finds no error or defect in the proceedings, nor any factual basis for granting the appeal, it must deny the appeal and uphold the Decision of the Hearing Examiner approving the Conditional Use Permit, as conditioned by the Hearing Examiner.

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Limited Public Appeal hearing of the Hearing Examiner's Decision on the Conditional Use Application of **MICHAEL'S TOYOTA** to establish an automobile dealership within the existing Sunset Village Shopping Center. The site is 3080 – 148<sup>th</sup> Avenue SE. The location is north of the I-90 freeway and adjacent to Eastgate Way as it parallels the freeway. File No. 04-100086.

### **FISCAL IMPACT**

None of Record.

### **STAFF CONTACT**

Wick Dufford, Hearing Examiner – 452-6935

### **POLICY CONSIDERATION**

Whether the application complies with the Bellevue City Code and applicable decision criteria.

### **BACKGROUND**

For background information, please review the attached Hearing Examiner's Summary.

### **EFFECTIVE DATE**

Depending upon Council's direction, an Ordinance concerning this application will become effective after adoption by the City Council.

### **OPTIONS**

1. Deny the appeal and approve the application as recommended by the Hearing Examiner.
2. Grant the appeal in whole or in part, with/without additions or modifications.
- 3.. Remand the matter.

**HEARING EXAMINER'S RECOMMENDATION**

Deny the appeal and approve the application as recommended by the Hearing Examiner.

**ATTACHMENTS**

Site Map

**AVAILABLE IN COUNCIL OFFICE**

The Department (PCD) supporting file, and original exhibits are available for review in the City Council Office.

## SUMMARY

The City Council is considering the appeal(s) of the Hearing Examiner's Decision concerning the application of **MICHAEL'S TOYOTA** for a Conditional Use Permit to establish an automobile dealership within the existing Sunset Village Shopping Center. The site is 3080 – 148<sup>th</sup> Avenue SE . The location is north of the I-90 Freeway and adjacent to Eastgate Way as it parallels the freeway. Until last summer, for around 40 years, the site was occupied by a Safeway grocery store.

The proposed dealership will occupy a 69,895 square foot area under roof, including a building addition of 10,483 square feet. In addition to the former Safeway space, the enterprise will occupy the former Joanne Fabric space and the space occupied presently by American Woman Fitness and Deseret Books. Except for Sunset Village Dry Cleaners, the rest of the present tenants will remain where they are (*e.g., Tully's Coffee, Overlake Medical Center, L'il John's restaurant, and the Sun Villa Lanes bowling alley*).

The applicant is separately requesting a short plat that will divide the owner's entire 20.83 acres into three commercial lots; shopping center, bowling alley and Chaplin's auto dealership. The instant application relates solely to the shopping center.

The plan for the new dealership involves creating sales, administration, and parts departments in the western half of the building space, and a service department with lifts and car bays in the eastern half. The basic contours of the old grocery store structure will remain the same. There will be no increase in elevation.

The auto display area will occupy a portion of the present parking lot between the main entrance to the building and SE Eastgate Way. New landscaping and internal walkways will connect to the public sidewalk along both SE Eastgate Way and 148<sup>th</sup> Avenue SE. The landscaping and walkways will separate the display area from public parking for other shopping center tenants. The parking for patrons of these other tenants will occupy a separate portion of the present shopping center parking lot.

### **1. BACKGROUND**

The application was received on January 8, 2004 and deemed complete on January 20, 2004. Public notice of the application was made on January 22, 2004. A public meeting was held on February 24, 2004. A number of persons attended and spoke. In addition, a number of written comments were received during application processing.

The primary concerns of the public were (1) loss of the grocery store, American Woman Fitness and the dry cleaners; (2) increased traffic on local streets to other grocery stores; (3) storm water runoff will contaminate Lake Sammamish; (4) grand opening balloons may block views from uphill properties, and (5) Comprehensive Plan consistency. The staff responded to these concerns in its Staff Report.

A Determination of Non-Significance (DNS) under the State Environmental Policy Act (SEPA) was issued for the project on April 8, 2004. The DNS was not appealed. The hearing was noticed by the PCD to be held on April 22, 2004.

## **2. APPLICATION BEFORE EXAMINER**

The public hearing before the Examiner was held, as noticed, on April 22, 2004 at 7:00 p.m. Carol Saari, Associate Planner, represented the Department of Planning and Community Development. The applicant was represented by Amy Kosterlitz Attorney at Law. Five witnesses testified on behalf of the applicant. In addition, a representative of the owners of the shopping center spoke.

There were nine speakers offering public testimony. Six of these were in opposition. One favored the application and the other two suggested conditions of approval. The arguments of the opponents emphasized matters previously raised in the permit process. On May 11, 2004, the Hearing Examiner issued Findings of Fact, Conclusions of Law and a Decision that the application be **APPROVED** subject to conditions.

Appeals from the decision of the Hearing Examiner were filed on May 25, 2004. Additional parties were forwarded the examiner's decision on May 27, 2004 and the appeal period as to these individuals was extended to June 10, 2004. On June 2, 2004, the City Attorney requested clarification of the appeals filed May 25, 2004, setting the deadline for clarification as June 14, 2004. As requested, the appellants clarified their appeals. No appeals were filed from the second mailing to the additional individuals.

## **3. SITE CHARACTERISTICS**

The site is an existing one-story commercial development, Sunset Village shopping center, located on 20.58 acres. The center was built in 1963 under King County's regulations and annexed to the City in 1966. In 1968, the property was rezoned from the King County commercial zoning to the City's Community Business zoning district. There has been no change to the zoning designation since then.

The shopping center is located at the intersection of 148<sup>th</sup> Avenue SE and SE Eastgate Way with good freeway visibility and access to I-90. To the north of the shopping center is the LDS Church and Bellevue Community College, both with a "regional" draw of church members and students. To the south is SE Eastgate Way and the I-90 freeway corridor. To the west on the other side of 148<sup>th</sup> Avenue SE is a sports fitness center (Bally's), bank, office buildings, and farther to the west, the King County Health Department and the Eastgate Park & Ride. To the east are more commercial uses, including a motel, restaurant, McDonald's and 7-11. The closest single-family neighborhoods are Robinswood (1/2 mile to the north) and Spiritridge (2/3 mile to the east).

#### **4. COMMENTS**

There were nine speakers offering public testimony at the hearing before the Examiner.. Six of these were in opposition. One favored the application and the other two suggested conditions of approval. The arguments of the opponents emphasized matters previously raised in the permit process which included the following:.

(1) loss of the grocery store, American Woman Fitness and the dry cleaners; (2) increased traffic on local streets to other grocery stores; (3) storm water runoff will contaminate Lake Sammamish; (4) grand opening balloons may block views from uphill properties, and (5) Comprehensive Plan consistency.

#### **5. HEARING EXAMINER'S RECOMMENDATION**

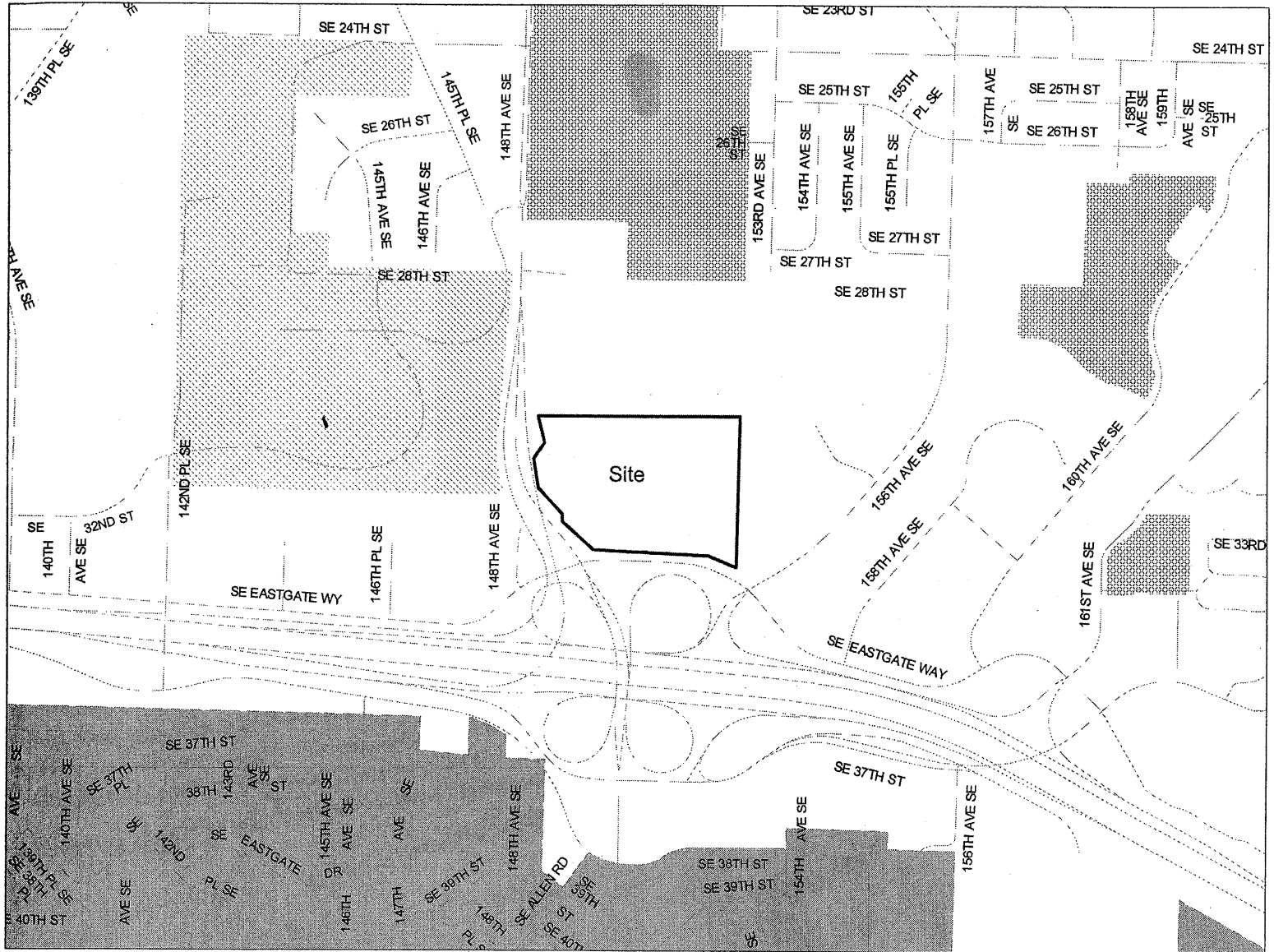
The Hearing Examiner recommends that the City Council **APPROVE** the application with conditions, which generally concurs with the recommendation of the DPCD. One condition was agreed to at the hearing, and the examiner concurred. The condition is Condition No. 13 as follows:

##### **13. LDS Temple Compatibility:**

The applicant shall comply with the provisions of the letter of understanding from Erik Paulson to Gordon Conger, dated April 22, 2004.

# Michael's Toyota

## VICINITY MAP





# City of Bellevue MapGuide

## Zoning Map

Streets & Street Names










Hydrology

School Layers

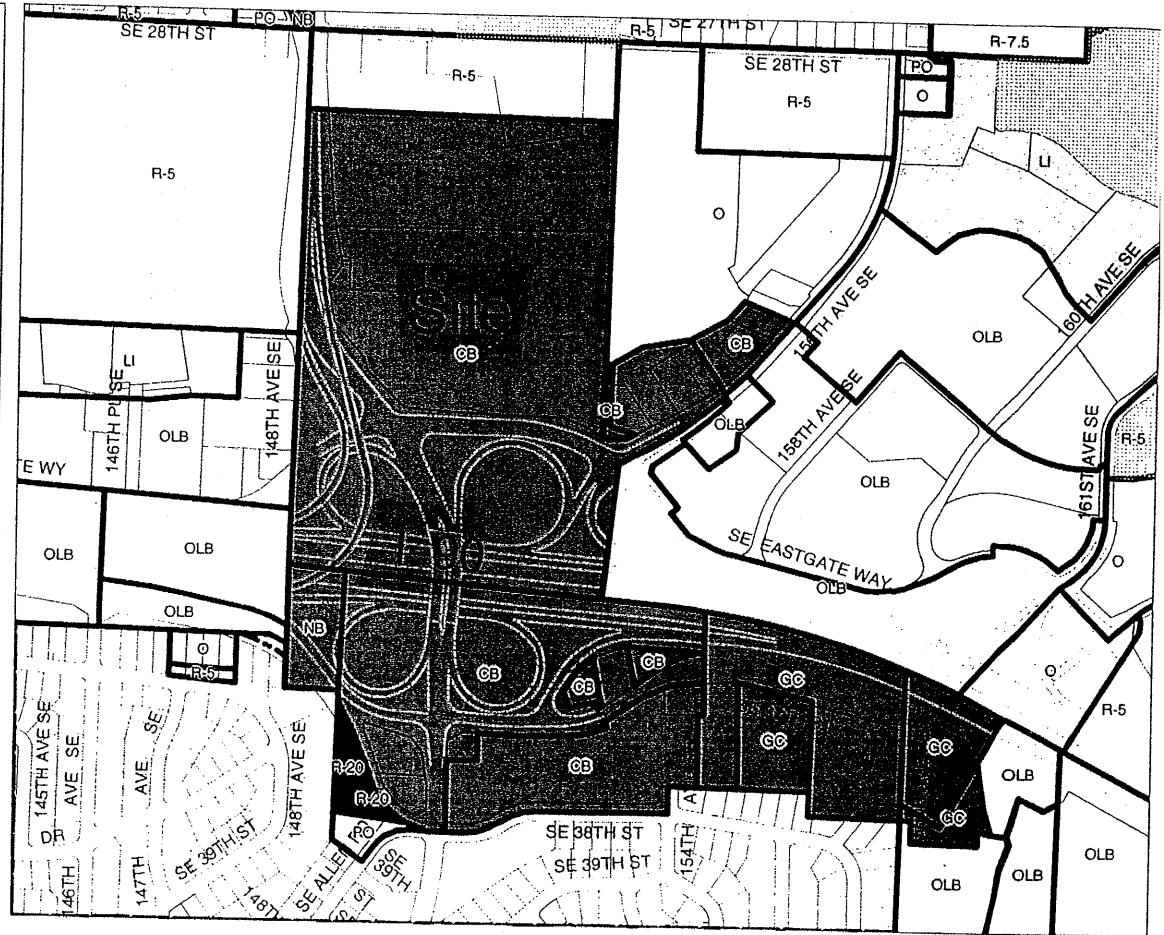
Parks Sites

Districts - Areas

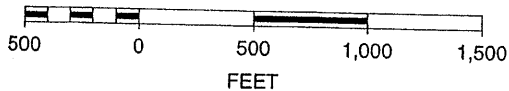
Zoning Layers

-   Zoning
-  Single Family
  -  Multi Family
  -  Office
  -  Commercial
  -  Light Indust...
  -  Evergreen ...
  -  Institutional
- Zoning Labels

Property Layers



SCALE 1 : 9,941





Post Office Box 90012 • Bellevue, Washington • 98009 9012

Date: June 22, 2004

**Limited Public Hearing Notice - Parties of Record**

RE: Limited Public Hearing: Appeal of Hearing Examiner's Decision Re: the Application of **Michael's Toyota** for a Conditional Use Permit to establish an automobile dealership within the existing Sunset Village Shopping Center – File No. 04-100086-LB.

**Before Council: Monday, July 19, 2004 at 8:00 p.m.**

A limited public appeal hearing on this matter is scheduled for **July 19, 2004**. This hearing will be held at 8:00 p.m. in the Council Chambers, Bellevue City Hall, 11511 Main Street. The hearing will be conducted pursuant to Bellevue City Code 20.35.150 and City Council Resolutions Nos. 5097 and 5238.

Under the City Council rules of procedure, written materials will be accepted by the City Clerk if submitted by 1:00 p.m. on Wednesday, July 14, 2004. No factual information not contained in the Hearing Examiner's record may be submitted.

This limited public hearing will be on the decision of the Hearing Examiner, which was for conditional approval of the project. At the hearing, the appellants, including any parties of record they wish to call to testify, will have an opportunity to present oral argument based on the record.

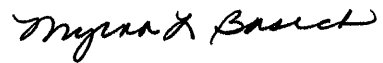
The appellants will have a total of 15 minutes for argument. If the appellants wish to petition Council for more than 15 minutes for argument, a written request must be received in the City Clerk's Office by 1:00 p.m. on Wednesday, July 7, 2004.

The opponents (respondents) to the appeal, including parties of record they wish to call to testify, will also have a total of 15 minutes to argue in response, also based on the record. If the respondents wish to petition Council for more than 15 minutes for argument, a written request must be received in the City Clerk's Office by 1:00 p.m. July 7, 2004.

The Mayor will determine if additional time for oral argument will be granted in response to the above request and the City Clerk will notify you of this response.

New information (evidence) not contained in the record made before the Hearing Examiner may not be presented at the hearing. If you have further questions, please call the City Clerk at 452-6805 or the City Attorney 452-6829.

Sincerely,

A handwritten signature in cursive script, appearing to read "Myrna L. Basich".

Myrna L. Basich  
City Clerk

## CITY COUNCIL AGENDA MEMORANDUM

### SUBJECT:

Resolution No. ~~1051~~ authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding the establishment of a "Regional Affordable Housing Program" (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies.

Resolution No. ~~1052~~ authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding modifications to the HOME Investment Partnerships (HOME) program, expand the representation by participating cities on the Joint Recommendations Committee (JRC) from five to seven, and set a rotation schedule on the JRC for Bellevue, Auburn, and Kent.

### FISCAL IMPACT

There is no fiscal impact to the City of Bellevue as the funds will be managed through King County. Per the terms of the draft Interlocal Agreement, RAHP funds will be made available based on an equitable distribution throughout the sub-regions of King County. These dollars are generated by a new funding source and will be an additional resource available to current funding sources that have historically funded housing programs in Bellevue and the Eastside.

**STAFF CONTACTS:** Diane Carlson, CMO (x4225) and Dan Stroh, PCD (x5255)

### POLICY CONSIDERATION

On January 7, 2003, the Council discussed the new affordable housing funding source created by SHB 2060 and the possibility that the fund would be administered regionally by the existing Joint Recommendations Committee (JRC) that oversees the County HOME and CBDG consortium. Following several months of discussions between the County and the cities, the County Council adopted both agreements earlier this year. They are being sent to the affected cities for city action. The agreements address the following items:

- Eastside representation on the Consortium and
- The use of the new affordable housing funding source.

### BACKGROUND

At the January, 2003 study session, the Council was asked three questions:

- Should Bellevue participate in an interlocal agreement with King County to administer the low-income housing fund through the Countywide HOME Consortium?
- Does Council wish to direct staff to pursue enhanced representation on the Joint Recommendations Committee (JRC)?
- How can participating jurisdictions encourage a geographic balance in the use of the funds?

The Council directed staff to work with the Consortium to develop an interlocal agreement to address these issues. Following many months of negotiations, agreements were drafted to address issues of representation and geographic balance of funds.

The proposed interlocal agreement designates the Joint Recommendations Committee (JRC) as the interjurisdictional body that will review and adopt fund allocations for the RAHP. The JRC is currently composed

of five cities' representatives and four King County representatives. With the adoption of this interlocal agreement the JRC will be expanded to ten seats, reducing one of the County seats and adding two city seats.

Following the Council's direction, staff worked with the Consortium members to address the issue of Bellevue and Eastside representation on the expanded JRC. For a number of years, Bellevue has had an alternating (every other year) seat on the JRC for deliberations on the Countywide HOME program. (Bellevue does not participate in the CDBG deliberation of the JRC because the City receives CDBG funds directly from the Federal government.)

The outcome of the discussion is a proposal to restructure the JRC in the following manner: The Committee will be composed of three County representatives and seven cities' representatives. Three of the seven cities representatives will be from the CDBG "pass-through" cities and the CDBG "small" cities, at least one from each group (the third may be from either). Two of the seven cities representatives shall be rotated among the CDBG "Joint Agreement" cities of Federal Way, Shoreline and Renton. Two of the seven cities representatives shall be rotated among the "HOME-only" cities of Auburn, Bellevue and Kent, and will vote only on issues related to the King County HOME Consortium and other regional housing-related funds (excluding CDBG). For the rotating positions, each city will serve two years on and one year off, except that during the first year (2004) one city in each group will serve a one-year term. Bellevue's term begins in 2005. A representative of a rotating city may serve as an alternate during that city's off year. The rotation cycles of the two groups will be coordinated to achieve broad sub-regional representation.

#### Proposed JRC Representation

	Number of Seats	Conditions
King County	3	King County Executive Staff- department directors or elected representatives from Unincorporated Area Councils
CDBG pass-through cities	3	At least one representative shall be from a CDBG small city – city representatives must be elected officials, chief administrative officers, planning directors, or department directors, etc
CDBG Joint Agreement Cities	2	Federal Way, Shoreline and Renton – rotate seats 2 years on, one year off. Same conditions for representative as noted above.
HOME only cities	2	Bellevue, Kent and Auburn – rotate seats 2 years on, one year off. Same conditions for representative as noted above.

The proposed agreement allows cities to select their representative and the selection is not subject to appointment by an outside body. Under this agreement, Bellevue would have a direct seat every 2 out of 3 years and would be able to serve as an alternate in the off year. Coordinating the rotation cycles of the city seats is intended to help ensure the Eastside and North cities are represented among the four city seats in any given year, providing that when Bellevue is off, Shoreline is on. Eastside cities should also consider working together to coordinate appointments to the 3 CDBG pass-through seats to make sure the Eastside is represented in this group of cities as well.

The geographic funding balance issue was also addressed. It is proposed that funding will be based on subregional population and made equitable over a four-year period. Under this plan, during the four-year duration of the interlocal agreement, it is expected that the ARCH cities will receive 20-25% of the RAHP funds, estimated to generate \$2.2 million annually Countywide. All projects or units funded with RAHP funds must serve households at or below 50% of the area median income.

These resolutions are presented as a package. Though the funding agreement was developed last year, the representation agreement was not finalized, so it was decided to defer City Council consideration until the County

Council had accepted both the funding and the representation agreements. The County Council adopted both interlocal agreements earlier this year and they are being sent to the affected cities for action by City Councils.

### **EFFECTIVE DATE**

If approved, the resolutions become effective immediately upon Council adoption.

### **OPTIONS**

1. Adopt both resolutions.

Adopt Resolution No. 7051 authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding the establishment of a “Regional Affordable Housing Program” (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies.

Adopt Resolution No. 7052 authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding modifications to the HOME Investment Partnerships (HOME) program, expand the representation of participating cities on the Joint Recommendations Committee (JRC) from five to seven, and set a rotation schedule on the JRC for Bellevue, Auburn, and Kent.

2. Do not adopt Resolution No. 7051 or Resolution No. 7052 and provide alternative direction to staff.

### **RECOMMENDATION**

Option 1. Adopt both resolutions.

### **MOTION**

Move to adopt Resolution No. 7051 authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding the establishment of a “Regional Affordable Housing Program” (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies.

Move to adopt Resolution No. 7052 authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding modifications to the HOME Investment Partnerships (HOME) program, expand the representation by participating cities on the Joint Recommendations Committee (JRC) from five to seven, and set a rotation schedule on the JRC for Bellevue, Auburn, and Kent.

### **ATTACHMENTS**

1. RAHP Proposed Interlocal Cooperation Agreement
2. Regional Affordable Housing Program (RAHP) Guidelines
3. HOME Investment Partnership Program Interlocal Cooperation Agreement
4. Proposed Resolutions No. 7051 and 7052

# **REGIONAL AFFORDABLE HOUSING PROGRAM INTERLOCAL COOPERATION AGREEMENT**

## **An Agreement for the use of SHB 2060 Local Low-Income Housing Funds in King County**

THIS AGREEMENT is entered into between King County, a municipal corporation and political subdivision of the State of Washington, hereinafter referred to as the "County", and the City of \_\_\_\_\_, hereinafter referred to as the "City", said parties to the Agreement each being a unit of general local government of the State of Washington.

### **RECITALS**

WHEREAS, the King County Countywide Planning Policies, hereinafter referred to as the "CPPs", developed pursuant to the Washington State Growth Management Act, have established standards for cities to plan for their share of regional growth and affordable housing; and

WHEREAS, to implement the CPPs, the King County Growth Management Planning Council appointed a public-private Housing Finance Task Force in 1994, hereinafter referred to as the "HFTF", to recommend potential fund sources for affordable housing for existing low-income residents and for meeting the affordable housing targets for future growth; and

WHEREAS the HFTF recommended a document recording fee as a source of regional dollars for low-income housing development and support, and recommended that representatives of the County, Cities and the housing community work together to make decisions about the use and administration of such a fund; and

WHEREAS in March 2002, Substitute House Bill 2060, hereinafter referred to as SHB 2060, was passed by the Washington State Legislature and was signed into law by the Governor as Chapter 294, 2002 Washington Laws in April 2002, and was effective on June 13, 2002. SHB 2060 provides, in large part, that:

A surcharge of ten dollars per instrument shall be charged by the county auditor for each real property document recorded, which will be in addition to any other charge authorized by law;

After retention of up to five percent (5%) for collection administration, forty percent (40%) of the revenue will be transmitted monthly to the state treasurer, and sixty percent (60%) of the revenue will be retained by the county and deposited into a fund that must be used by the county and its cities and towns for housing projects or units within housing projects that are affordable to very low-income households at or below fifty percent (50%) of the area median income. The local portion of the funds must be allocated pursuant to an interlocal agreement between the county and the cities within the county that is consistent with countywide and local

housing needs and policies, and pursuant to the eligible activities listed in the SHB 2060 legislation; and

WHEREAS, existing Interlocal Cooperation Agreements or Joint Agreements between King County and cities in the King County Community Development Block Grant Consortium, hereinafter referred to as the “CDBG Agreements”, and/or existing Interlocal Cooperation Agreements between King County and cities in the King County HOME Investment Partnerships Program Consortium, hereinafter referred to as the “HOME Agreements”, are not modified by this Regional Affordable Housing Program Agreement; and

WHEREAS, the City and King County agree that affordable housing is a regional issue, that cooperation between the Cities and the County is beneficial to the region, and that a regional approach to utilizing the SHB 2060 funds will allow those funds to be used in the most productive manner; and

WHEREAS, it is mutually beneficial and desirable to enter into a cooperative agreement in order to administer the SHB 2060 revenue as a regional fund, as authorized by the Intergovernmental Cooperation Act, RCW 39.34, and, as required by SHB 2060;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

**I. Definitions and Interpretation.**

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

**“Joint Recommendations Committee” or “JRC”** means the inter-jurisdictional body developed pursuant to the CDBG Agreements and the HOME Agreements. The JRC is currently composed of five (5) Cities’ representatives and four (4) King County representatives. The King County Executive appoints the four County representative seats. The King County Consortium’s HOME-only cities rotate one of the City representative seats, and the Suburban Cities Association selects the four remaining City representative seats. A small city representative is a priority for one of the four remaining City seats. JRC members are appointed for a term two years, with the exception of the alternating HOME-only cities’ seat, which revolves every year.

**“HOME Working Group”** means the staff work group consisting of staff representatives from participating Cities and from the County that work together to recommend annual capital fund allocations for housing projects and related policies to the inter-jurisdictional Joint Recommendations Committee.

**“2060 Planning Group”** means the planning group consisting of staff representatives from the Cities, from the County, and from the housing community that worked together between August



2002 and October 2002 to develop guidelines for the local portion of the SHB 2060 funds, pursuant to the recommendations of the HFTF.

## **II. General Agreement**

The purpose of this agreement is to establish the “Regional Affordable Housing Program”, hereinafter “RAHP”, to be administered by King County in cooperation with Cities and Towns within the County that choose to participate in the program. The local portion of SHB 2060 revenue shall be administered as a regional fund by the King County Housing and Community Development Program in a manner that is consistent with countywide and local housing needs and policies.

The City and the County agree to cooperate in undertaking RAHP activities.

## **III. General Administration, Distribution and Use of the RAHP.**

- A. Expansion and role of the JRC. The JRC shall be the body that reviews and adopts annual RAHP fund allocations and related allocation policies, consistent with the King County Council-adopted RAHP Guidelines, the Consolidated Housing and Community Development Plans of the King County Consortium and the City of Seattle, and other local housing plans, as applicable. The membership of the JRC, as authorized by the CDBG and HOME Agreements, and as defined herein, shall be expanded to include an appointment from the City of Seattle. The Seattle JRC representative will attend meetings that concern the SHB 2060 fund and will be entitled to vote solely on SHB 2060 issues and not on other King County Consortium matters coming before the JRC. The Seattle representative shall be an elected official, department director or comparable level staff.
- B. Incorporation by reference of certain amendments to the King County Consortium’s CDBG and HOME Agreements. CDBG and HOME Agreement Cities and the County agree to convene a special working group in 2003 to recommend changes and/or expansion of the representation of cities on the JRC in the CDBG and HOME Agreements. The special working group shall make recommendations on the constitution of the JRC in time for CDBG and HOME Agreement cities to reach agreement on amendments by December 31, 2003. Amendments made to the CDBG and HOME Agreements concerning the representation of cities on the JRC, shall be incorporated by reference into this RAHP Agreement and the RAHP Guidelines. Amendments to the CDBG and HOME Agreement cities’ representation on the JRC shall not alter the City of Seattle’s seat on the JRC for RAHP purposes.
- C. Expansion of the HOME Working Group. The HOME Working Group, as defined herein, shall be expanded to include an appointment from the City of Seattle’s Office of Housing, and shall be re-named the “RAHP/HOME Working Group”. Seattle staff will be entitled to participate solely in making SHB 2060 program recommendations and not in other King County Consortium matters coming before the RAHP/HOME

Working Group. Each city that participates in the RAHP is entitled to have a staff person on the RAHP/HOME Working Group.

- D. Role of the RAHP/HOME Working Group. The RAHP/HOME Working Group shall make annual RAHP fund allocation and related allocation policy recommendations to the JRC. The RAHP/HOME Working Group recommendations shall be consistent with the King County Council-adopted RAHP Guidelines, the Consolidated Housing and Community Development Plans of the King County Consortium and the City of Seattle, and other local housing plans, as applicable.

Pursuant to the RAHP Guidelines, the RAHP/HOME Working Group shall examine the percentages of RAHP funds distributed to the subregions of the County following the 2004 and 2005 funding rounds, and shall recommend actions to achieve geographic equity by the time the RAHP Agreement expires in 2006. City and County staff will work together to take actions to achieve geographic equity in the distribution of RAHP funds.

- E. Administration of RAHP Programs. The King County Housing and Community Development ("HCD") Program staff shall distribute RAHP funds pursuant to the allocations adopted annually by the JRC, and shall administer the program pursuant to the RAHP Agreement and the King County Council-adopted RAHP Guidelines, attached hereto as Exhibit #1.

King County HCD staff shall provide the RAHP/HOME Working Group, the JRC, and participating jurisdictions with an annual report that provides information about the capital housing projects that were awarded RAHP funds in that year; in addition to the status of capital housing projects that were awarded RAHP funds in a prior year(s).

King County HCD staff shall invite the staff of participating cities to be involved in a focus group to further develop the RAHP Operations and Maintenance ("O&M") Fund, and to be on the review panel that will recommend O&M funding awards to the JRC.

- F. Administrative Costs. King County agrees to pay the costs of administering the Regional Affordable Housing Program. No portion of the sixty percent (60%) of the SHB 2060 revenue retained by King County in a fund for the RAHP shall be utilized for RAHP administration.

- G. Interest on the RAHP Fund. Interest accrued on the sixty percent (60%) of the SHB 2060 revenue retained by King County in a fund for the RAHP shall remain with the RAHP fund and will be distributed to projects according to the subregional allocation target formula found in the RAHP Guidelines, attached as Exhibit 1.

- H. Sub-Regional Geographic Equity. The parties intend that the RAHP funds shall be awarded to projects throughout King County in a fair and equitable manner over the duration of this agreement. Equity is to be achieved through sub-regional allocation targets, as follows: A fixed percentage of RAHP local funds will be allocated to sub-regions of the County by the end of this 4-year Agreement, as specified by a formula contained in the RAHP Guidelines, attached hereto as Exhibit #1.
- I. General Use of Funds. The local portion of the SHB 2060 revenue shall be utilized to meet regional housing priorities for households at or below 50% of area median income, as established in the RAHP Guidelines, attached hereto as Exhibit #1.
- J. Compliance with Fair Housing Laws. Parties to this agreement must take actions necessary to ensure compliance with the Federal Fair Housing Act, as amended, the Americans with Disabilities Act of 1990, and other applicable state and local fair housing laws.

#### IV. Agreement Duration

This Agreement shall remain in full force and effect through December 31, 2006, when this agreement will expire. The 2060 Planning Group will re-convene in the spring of 2006 to evaluate the RAHP and to recommend whether the RAHP Guidelines and the RAHP Interlocal Agreement should be re-negotiated or renewed in their current formats.

#### V. General Matters and Recording

- A. No separate legal or administrative entity is created by this Agreement. Neither the JRC, the RAHP/HOME Working Group, nor the 2060 Planning Group are anticipated to acquire or to hold any real or personal property pursuant to this Agreement. Any personal property utilized in the normal course of the work of such bodies shall remain the property of the person or city initially offering such personal property for the use of any such body.
- B. Pursuant to RCW 39.34.040, this Agreement shall be filed with the King County Auditor.

CITY OF \_\_\_\_\_

KING COUNTY, WASHINGTON

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Ron Sims, County Executive

\_\_\_\_\_  
Name and Title (printed)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Signature of City Attorney

\_\_\_\_\_  
Signature of County Prosecuting Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# **EXHIBIT 1**

## **Regional Affordable Housing Program Guidelines**

Guidelines for the Administration and Allocation of  
SHB 2060 Local Low-Income Housing Funds  
In King County

### **A. Introduction**

The provisions of Substitute House Bill 2060 became effective in Washington State on June 13, 2002. SHB 2060 created a document recording fee on certain documents to be utilized for low-income housing. Administration of the fund is shared between local governments and the State. The local portion of SHB 2060 funds is to be administered pursuant to a cooperative agreement between the County and the Cities and Towns within the County.

The work of the Housing Finance Task Force ("HFTF"), appointed by the King County Growth Management Planning Council in 1994, led to the passage of SHB 2060. In recognition of the recommendations made by the HFTF, a SHB 2060 Planning Group was invited to come together to produce guidelines for the King County SHB 2060 funds. The King County SHB 2060 Planning Group<sup>1</sup> is made up of City representatives, County representatives and representatives from a variety of private housing organizations in King County.

The King County SHB 2060 Planning Group strongly favored a regional low-income housing fund source administered by King County. The planning group worked hard to achieve a regional fund, and the Regional Affordable Housing Program Guidelines are the result of that work.

### **B. Duration of the Guidelines**

The Regional Affordable Housing Program ("RAHP") Guidelines shall take effect after adoption by the King County Council, and shall remain in effect through December 31, 2006. In the spring of 2006 the King County 2060 planning group shall be reconvened to evaluate the RAHP, and to make recommendations as to whether the RAHP guidelines should be amended or should remain in the current format.

---

<sup>1</sup> City representatives included staff from the cities of: Burien, Tukwila, Kent, Federal Way, Redmond, Kirkland, Issaquah, Shoreline, Covington, Seatac, Auburn, Seattle, Bellevue and ARCH

Housing organization representatives included staff from the following: Seattle-King County Housing Development Consortium, Impact Capital, South King County Multi-Service Center, Hopelink, Fremont Public Association, Seattle Habitat for Humanity, South King County Habitat for Humanity, Friends of Youth, The Salvation Army, Community Psychiatric Clinic, Lifelong Aids Alliance, St. Andrews Housing Group, Housing Resource Group, EDVP, YWCA, Mental Health Housing Foundation, Rental Housing Association, Highline-West Mental Health, Valley Cities Counseling, Seattle Emergency Housing Service, Common Ground, Vietnam Veterans Leadership Program

## **C. Decision-Making Structure and Regional Allocation Method**

### **1. Approving Body**

The interjurisdictional Joint Recommendations Committee (JRC), as defined in the RAHP Interlocal Cooperation Agreement, hereinafter "RAHP Agreement" shall be the body that reviews and adopts RAHP funding allocations and related allocation policies. The JRC will be expanded, pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.

Allocations and related policies adopted by the JRC must be consistent with these RAHP Guidelines, the Consolidated Plans of the King County Consortium and the City of Seattle, and other local housing plans, as applicable.

### **2. Annual Fund Allocation Recommendations**

The existing HOME Working Group, as defined in the RAHP Agreement, shall be renamed the RAHP/HOME Working Group and shall be expanded to include a staff representative from the City of Seattle. City of Seattle staff will participate solely in making RAHP recommendations.

The RAHP/HOME Working Group will work together to make RAHP fund allocation recommendations and related allocation policy recommendations to the JRC:

- King County HCD staff will review all RAHP applications and make preliminary funding recommendations on them.
- Cities staff will review applications for projects in their jurisdiction and make preliminary recommendations on those applications.
- Cities staff will receive information on all RAHP applications to review prior to the meeting of the RAHP/HOME Working Group at which final funding recommendations are formulated for transmittal to the JRC.
- RAHP/HOME Working Group participants will meet together to make annual RAHP funding recommendations to the JRC, and at other times during the year, as necessary, to discuss RAHP issues and make recommendations to the JRC.

### **3. Subregional Allocation Targets**

The RAHP Fund will be a flexible fund that can address regional and subregional housing needs. The fund will use subregional allocation targets as a means to achieve geographic equity in the distribution of SHB 2060 funds by December 31, 2006, the date that these guidelines and the RAHP Agreements expire.

**a. Subregional Areas:**

- 1) City of Seattle Subregion
- 2) North/East Subregion – north and east urban and rural areas, including 34% of unincorporated King County<sup>2</sup>
- 3) South Subregion – south urban and rural areas, including 66% of unincorporated King County

**b. Formula for Subregional Allocation Targets**

Each subregion will have a targeted percentage of the RAHP funds, including the interest on the RAHP funds, allocated to projects within the subregion over the 4-year period of the RAHP Guidelines and the RAHP Agreement. Each subregion will receive allocations to projects within the subregion that are equal to or greater than 95%, of the subregions' allocation target by December 31, 2006.

The formula for allocating RAHP funds to the subregions is as follows:

- One half of the RAHP funds shall be targeted for allocation amongst the three subregions based on each subregion's relative share of total existing need for affordable housing. Existing need shall be determined by the percentage of low-income households paying more than 30% of their income for housing in the subregion, according to the 2000 U.S. Census data<sup>3</sup>.
- One half of the RAHP funds shall be targeted for allocation amongst the three subregions based on the subregions' growth targets for future need, as established through the Growth Management Planning Council. Future need shall be determined by the subregions' relative share of total future need for affordable housing in the County. A subregion's relative share of future need is the percentage of the subregion's affordable housing target for low-income households relative to the cumulative affordable housing target for low-income households of all jurisdictions in the County, including unincorporated King County<sup>4</sup>.

---

<sup>2</sup> Percent of unincorporated King County attributed to the North/East and South Subregions is based on the 2000 census data for households in the unincorporated portions of the King County Community Planning Areas, as listed in the 2002 Annual Growth Report.

<sup>3</sup> King County demographers are working to break down the 2000 U.S Census Data in the form that is needed to develop the subregional allocation target percentages.

<sup>4</sup> The percentage of a subregion's target relative to the cumulative target is derived by averaging the target percentages of the jurisdictions within that subregion. For each jurisdiction, the target percentage is calculated in the following manner: the number of households that a jurisdiction must plan for, per the 2002-2022 Countywide Planning Policy (CPP) Growth Target, is multiplied by .24 or .20 (depending on the ratio of low wage jobs to low cost housing for the jurisdiction in Appendix 3 of the CPPs); that number is then divided by the cumulative affordable housing target for low-income households of all King County jurisdictions, including unincorporated King County.

When the U.S. Census data has been broken down in the form needed to determine the subregional target percentages, it will be applied to the formula specified above in order to calculate the actual targets. The actual target percentages will be presented to the JRC for their approval to insert them into the RAHP Guidelines.

**c. RAHP/HOME Working Group to Monitor Subregional Allocation Targets**

The RAHP/HOME Working Group will monitor the subregional distribution of RAHP funds every allocation cycle. Following the 2004 and 2005 RAHP allocation cycles the working group will determine if any subregion(s) has received allocations below 95% of the subregion's allocation target.

If any subregions have received allocations under 95% of their target allocation after the first two funding cycles, the working group will adjust the allocation targets of such subregion(s) in the third and/or fourth funding cycles, as needed. In addition, the Working Group will propose strategies and actions, for review by the JRC, that are designed to increase the percentage of RAHP funds spent in those subregion(s). Staff of the jurisdictions that are parties to the RAHP Agreement will work to implement actions that will aid in achieving geographic equity in RAHP allocations by December 31, 2006.

**D. Use of the RAHP Funds**

**1. RAHP Priorities**

- **Top Priority:** Capital funds for the acquisition, rehabilitation and/or new construction of eligible housing projects or units within housing projects. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10%<sup>5</sup>.
- **Second Priority:** Building operations and maintenance funds for transitional housing projects or transitional units within housing projects that were built with Housing Trust Fund dollars, and that require a supplement to the rental income in order to cover ongoing operating expenses.
- **Third Priority:** Operating funds for emergency shelters and licensed overnight youth shelters.
- **Last priority:** Rental assistance vouchers to be administered by a local housing authority in conformity with the Section 8 program.

---

<sup>5</sup> The low-income housing vacancy rate for each county will be established by the State, pursuant to the SHB 2060 legislation.



## 2. RAHP Eligibility

### Eligible Housing Types

- Capital Funds: permanent rental or ownership housing projects or units within housing projects, transitional housing projects or transitional units within housing projects, emergency shelters and licensed overnight youth shelters or shelter space within a housing project.
- Operating and Maintenance Funds: transitional housing projects, emergency shelters and licensed overnight youth shelters.

### Eligible Populations Served

- All projects or units funded with RAHP funds must serve households at or below 50% of area median income
- Families
- Homeless families and individuals, including youth
- Special needs populations, including seniors
- Disabled households or households with a disabled member

### Eligible Applicants

- Nonprofit organizations
- Housing Authorities
- Local governments
- For-profit entities are only eligible for capital funds in the top priority. This is due to the language of the SHB 2060 legislation, which restricts operations and maintenance funds to projects “built with Housing Trust Funds”. For-profit entities are not eligible for WA State Housing Trust Funds.

Eligible use of RAHP Funds - eligible uses of funds are subject to the RAHP priorities listed above.

### Capital funds:

- Acquisition of land for a housing project or units in a project that will serve eligible population(s).
- New construction of a housing project or units in a project that will serve eligible population(s).
- Acquisition of a housing project or units in a project that will serve eligible population(s).
- Rehabilitation of a housing project or units in a project that will serve eligible population(s).

- Capitalization of a maintenance replacement reserve in connection with a capital investment – applicants may be new housing projects that will serve eligible populations, as well as existing<sup>6</sup> housing projects that serve eligible populations.
- Rental assistance voucher program for housing projects or units within housing projects administered by a housing authority.

**Operations and Maintenance (O&M) Funds:**

- Ongoing building operations and maintenance expenses that cannot be covered by the rental income of the housing project; building O&M expenses must be directly related to running the building(s) and cannot include services (see section E.1. below for more information about the O&M fund program).
- Rental assistance vouchers to be administered by a local housing authority in conformity with the Section 8 program.

## **E. RAHP Administration**

The RAHP funds shall be administered as a regional fund by the King County Housing and Community Development (HCD) Program.

### **1. RAHP Capital Funds**

RAHP capital funds will be administered by the King County HCD's Housing Finance Program (HFP), in conjunction with other fund sources administered by HFP.

The HFP will staff the RAHP/HOME Working Group and work with staff of the participating cities in King County to develop RAHP funding allocation recommendations and related policy recommendations for JRC review and adoption.

The HFP will distribute RAHP funds through contracts pursuant to the allocations adopted by the JRC, and will generate an annual RAHP report that provides information about the projects that received funding in the current year, as well as the status of projects awarded RAHP funds in prior year(s).

By request of the 2060 Planning Group, the HFP staff will apply the terms of the King County Housing Opportunity Fund ("HOF") to RAHP contracts, with the exception of the following:

- to the extent that there are differences between the HOF guidelines and RAHP guidelines, the RAHP guidelines will apply;
- a financial match by the local government where a housing project is to be located is not required, but is encouraged.

---

<sup>6</sup> Existing projects are housing projects or units in projects that already served eligible population(s) and already existed as of the date of application for funds.

- RAHP funds will have no maximum subsidy per unit, but will be limited to 50% of the total development cost of a project.

## 2. RAHP Operations and Maintenance Fund

The local RAHP O&M fund will be administered through the King County HCD Program's Homeless Housing Programs ("HHP") Section.

The local portion of SHB 2060 funds to be used as O&M for transitional housing projects and emergency shelters will be 16% of the anticipated average amount of local SHB 2060 dollars (\$2.2 million)<sup>7</sup>. In order to hold the RAHP O&M fund steady so that multi-year commitments can be awarded to eligible projects, the O&M portion of the fund will be held at \$352,000 per year (16% of the total \$2.2 million average) for the duration of the RAHP Guidelines. As the total local portion of SHB 2060 funds collected fluctuates from year to year, the O&M portion will remain at \$352,000 and the remainder of the local portion will be available for the other priorities.

The priority for RAHP O&M funds will be existing projects that the Washington State O&M fund is unlikely to support. The priorities for the State O&M fund are new housing projects that are simultaneously applying for WA State Housing Trust Fund capital funds and shelters receiving Emergency Shelter Assistance Program ("ESAP") funds. Therefore, the local RAHP O&M fund will prioritize existing transitional housing projects and shelters that do not receive ESAP funds.

Following the adoption of the RAHP Guidelines and the RAHP Agreement by the jurisdictions in King County that elect to participate in the RAHP, the HHP will convene a focus group of city staff and stakeholders to further develop the parameters of the RAHP O&M fund and the RAHP O&M Request for Proposals. The RAHP O&M funds will be awarded in multi-year commitments and will have minimum and maximum grant amounts, however, the minimum and maximum amounts and other O&M fund details will be determined by the O&M focus group and will be reviewed by the JRC.

The HHP will invite city staff and other stakeholders to participate on the panel to review applications for the RAHP O&M funds. The review panel will recommend O&M fund awards to the JRC for final adoption.

---

<sup>7</sup> The percentage of local SHB 2060 funds set aside for O&M was determined by the 2060 Planning Group, which worked together to balance O&M needs and other priority needs in the County. Given the fact that 40% of the locally collected funds are sent to the State of Washington solely for O&M use, and the fact that King County projects can apply for the State O&M funds, the 2060 Planning Group felt that local O&M needs and other priority needs are adequately balanced at this percentage.

**AMENDMENT NO. 1  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
INTERLOCAL COOPERATION AGREEMENT**

THIS AMENDMENT to the HOME Investment Partnerships Program Interlocal Cooperation Agreement dated August 18, 1999 is entered into by and between King County and the City of \_\_\_\_\_, said parties to the Agreement each being a unit of general local government in the State of Washington.

WITNESSETH:

WHEREAS, King County and the City entered into a HOME Investment Partnerships Program (HOME) interlocal cooperation agreement (the "Agreement") in 1999 for the purpose of forming a HOME consortium and undertaking HOME Program housing activities; and

WHEREAS, there is mutual recognition of the need to amend this Agreement to increase participating cities' representation on the inter-jurisdictional Joint Recommendations Committee:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Paragraph 10 is deleted and replaced with the following new Paragraph 10:

Joint Recommendations Committee Composition. The Committee shall be composed of three (3) County representatives and seven (7) cities representatives. The three County representatives will be King County Executive staff with broad policy responsibilities, and/or Department Directors, and/or elected representatives of Unincorporated Area Councils. County representatives shall be specified in writing and should, where possible, be the same person consistently from meeting to meeting.

The seven cities representatives will be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer and who have broad policy responsibilities, e.g., planning directors, department directors, etc. Three of the seven cities representatives will be from the CDBG "Pass-through" cities and the CDBG "Small" cities, at least one from each group (the third may be from either). Two of the seven cities representatives shall be rotated among the CDBG "Joint Agreement" cities of Federal Way, Shoreline and Renton. Two of the seven cities representatives shall be rotated among the "HOME-only" Cities of Auburn, Bellevue and Kent, and these two representatives will vote only on issues related to the King County HOME Consortium and other regional housing-related funds (excluding CDBG). For all the rotating positions, each city will serve two years on and one year off, except that during the first year (2004) one city in each group will serve a one-year term. Cities not serving in a position in

a certain year may serve as an alternate. The rotation cycles of the two groups will be coordinated to achieve broad sub-regional representation. (The chart below sets forth the rotation schedule for the four rotating city representatives.) If any city, in accordance with HUD instructions, notifies the County of its intent to change its status at the end of the three-year qualification period, and as a result the number of CDBG "Joint Agreement" or "HOME-only" cities changes, County staff shall initiate a timely process to revisit the cities representation on the JRC.

Joint Agreement	2004	2005	2006	2007	2008
Federal Way	X	X		X	X
Shoreline	X		X	X	
Renton		X	X		X
HOME-only	2004	2005	2006	2007	2008
Kent	X	X		X	X
Auburn	X		X	X	
Bellevue		X	X		X

Paragraph 11 is deleted and replaced with the following new Paragraph 11:

Appointments. The King County Executive shall appoint the County representatives. The CDBG "Pass-through" cities and the CDBG "Small" cities will provide for the appointment of their shared representatives in a manner to be determined by those cities through the Suburban Cities Association or other agreed mechanism for the execution of shared appointing authority. The Suburban Cities Association or other agreed mechanism will work in coordination with the "Joint Agreement" and "HOME-only" cities to achieve broad sub-regional representation. The representatives of the revolving CDBG "Joint Agreement" cities and the representatives of the revolving "HOME-only" cities shall be appointed by their respective jurisdictions. Members of the Committee shall serve at the pleasure of their respective appointing authorities.

IN WITNESS THEREOF, the parties have executed this Amendment.

**King County**, Washington, a political  
Subdivision of the State of Washington

By: \_\_\_\_\_  
signature

\_\_\_\_\_  
printed name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

Norm Maleng  
King County Prosecuting Attorney

\_\_\_\_\_  
Margaret Pahl, King County Prosecuting  
Attorney

**City of** \_\_\_\_\_,  
a municipal corporation of  
the State of Washington

By: \_\_\_\_\_  
signature

\_\_\_\_\_  
printed name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7051

A RESOLUTION authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding the establishment of a "Regional Affordable Housing Program" (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is authorized to execute on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County regarding the establishment of a "Regional Affordable Housing Program" (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7052

A RESOLUTION authorizing the City Manager or his designee to execute, on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County that modifies the HOME Investment Partnerships (HOME) program, expands the representation by participating cities on the Joint Recommendations Committee (JRC) from five to seven, and sets a rotation schedule on the JRC for Bellevue, Auburn, and Kent.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is authorized to execute on behalf of the City, an Interlocal Agreement between the City of Bellevue and King County that modifies the HOME Investment Partnerships (HOME) program, expands the representation by participating cities on the Joint Recommendations Committee (JRC) from five to seven, and sets a rotation schedule on the JRC for Bellevue, Auburn, and Kent, a copy of which Agreement has been given Clerk's Receiving No. \_\_\_\_\_.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2004.

(SEAL)

\_\_\_\_\_  
Connie B. Marshall, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk